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The Hague, February 18, 2021

In accordance with Law of 23 December 2016, on market abuse, Repsol International Finance B.V. (the "**Company**") is filing the attached Consolidated Annual Financial Report 2020 of Repsol, S.A., the Guarantor of the Company´s Euro 10,000,000,000 Guaranteed Euro Medium Term Note Programme.

The Consolidated Annual Financial Report 2020 of Repsol, S.A. has been filed today by Repsol, S.A. with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

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REPSOL Group

Annual Financial Report

2020

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

INDEX:

Repsol, S.A.
and investees comprising the Repsol Group

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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 auditor's report on the consolidated financial statements

To the shareholders of Repsol, S.A.:

Report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Repsol, S.A. (the Parent company) and investees comprising the Repsol Group (the Group), which comprise the balance sheet as at December 31, 2020, and the income statement, statement of other comprehensive income, statement of changes in equity, cash flow statement and related notes, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the equity and financial position of the Group as at December 31, 2020, as well as its financial performance and cash flows, all consolidated, for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the consolidated annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
Assessment of the recovery of the carrying amount of the Group's assets in Upstream The accompanying consolidated financial statements present, at December 31 2020, intangible assets (including goodwill) and property, plant and equipment in the Upstream segment amounting to €2,133 million (note 11) and €9,108 million (note 12), respectively. These assets are allocated to cash generating units (CGUs) as indicated in notes 3.6 and 20 to the accompanying consolidated financial statements. Similarly, as indicated in note 13 to the accompanying consolidated financial statements, the Group has several investments in the Upstream segment carried under the equity method with a carrying amount at year-end 2020 of €5,448 million. The Group performs an analysis of impairment of the assets indicated by CGU on an annual basis, in accordance with the criteria described in notes 3.6 and 20, and determines their recoverable amount based on the present value of the future cash flows generated by them, taking into account the business plans approved by management. In this regard, as indicated in notes 2.3,3.6, 20 and 29, in view of the commodity market situation, the consequences of the COVID-19 pandemic, the foreseeable energy transition and the approval of the 2021-2025 Strategic Plan by the Board of Directors on November 25, 2020, which develops the Group's public commitment to fighting climate change and sets out the strategy to be followed to transform the Group and accelerate the energy transition driving decarbonisation in line with the UN's Paris Summit and Sustainable Development goals, management has reviewed its expectations of crude oil and gas prices and has modified the price paths defined at year-end 2019 in order to adapt them to the new scenario when testing for impairment.	We started our analysis by gaining an understanding on both the methodology applied and the relevant controls that the Group has in place to analyse asset recovery. In addition, we considered the adequacy of the allocation of assets to CGUs and the process for identifying those requiring an assessment of impairment, in accordance with applicable legislation. Moreover, we gained an understanding of the environment (price performance, presentation of results of other companies in the industry, analyst reports, etc.) in order to assess the new strategic priorities defined by the Group's Strategic Plan 2021-2025 for consistency with the real situation in the global hydrocarbon marketplace. With the collaboration of our valuation experts, we assessed the adequacy of the valuation models employed, the assumptions and estimates used in the calculations, including both short and long-term estimates of the evolution of hydrocarbon prices, the estimation of hydrocarbon reserves by internal and external experts, production profiles, operational costs, the necessary investments to develop existing reserves and discount rates. Specifically, with respect to future hydrocarbon prices, we compared management's estimates with the information published by investment banks, consultancy firms and relevant industry organisations and agencies.

Key audit matter	How our audit addressed the key audit matter
The key assumptions employed in estimating these cash flows for the purposes of analysing impairment are detailed in notes 3.6 and 20 to the accompanying consolidated financial statements. In addition, management has carried out a sensitivity analysis (note 20.2) on the key assumptions which, in light of earlier experience, may reasonably show variations. As a result of these analyses, Group management has recognised measurement adjustments, net of reversals, in the Upstream segment for the amounts indicated in note 20.1. This matter is key because it entails management applying critical judgements and significant estimates in terms of the key assumptions used (note 3.6), which are subject to uncertainty, while significant future changes in key assumptions could have a significant impact on the Group's consolidated financial statements.	Concerning the estimation of hydrocarbon reserves, we gained an understanding of the process established by the Group in this respect, which includes the use of management experts, and assessed the results of the work and competence, capacity and objectivity of these experts, in order to satisfy ourselves that they were properly qualified to calculate an estimate of volumes. In addition, we verified the consistency of the volumes estimated by management experts with the data used in determining the recoverable value of the assets. Similarly, we assessed the modelling tool used by the Group to perform their estimates, we checked the mathematical accuracy of the calculations and models prepared by management and verified the recoverable amount calculated by the Group with the carrying amount of the assets in order to assess the existence or otherwise of impairment or reversal of impairment, as appropriate. Also, we assessed the sensitivity calculations carried out by management. We assessed the sufficiency of the information disclosed in the consolidated financial statements with respect to the assessment of the recoverable amount of these assets. Based on the procedures carried out, we consider that management's approach and conclusions and the information disclosed in the accompanying consolidated financial statements are reasonable and consistent with the evidence obtained.

Key audit matter	How our ahudit addressed the key audit matter
Assessment of the recovery of the carrying amount of deferred tax assets	
As shown in the accompanying consolidated balance sheet, at December 31, 2020, the deferred tax asset balance amounts to €3,745 million, with, available tax loss carryforwards and deductions amounting to €3,122 million, according to note 22.3 to the accompanying consolidated financial statements. When assessing whether the amount recognised in the consolidated financial statements for these assets is recoverable, Group management factors in, as mentioned in notes 3.5, 3.6 and 22.3, future tax profits forecast using the methodology defined to analyse the recovery of its assets, the evaluation of the estimates of results of each entity or tax group in accordance with the Group's strategic plan, applicable tax legislation and the limit regarding the recoverability of such assets. As a result of the above analyses, Group management has reduced the amount of deferred tax assets recognised on the balance sheet by the amount indicated in notes 20.1 and 22.3. This is a key matter due to the nature and significance of the assets recognised and because it entails the use of significant estimates (notes 3.5 and 3.6) in terms of future tax profits, affecting the assessment of the recovery of these assets.	We started our analysis by gaining an understanding on both the methodology applied and the relevant controls that the Group has in place to analyse the recovery of these assets. We also verified the consistency of the assumptions employed by management in the financial projections used to determine future tax profits with the assumptions used in testing the Group’s intangible assets and property, plant and equipment for impairment. Moreover, together with our tax experts, we assessed the estimate of corporate income tax, basically in relation to the appropriateness of the tax treatment of the operations performed and the calculations of deferred tax assets with respect to applicable tax legislation. We also assessed the sufficiency of the information disclosed in the consolidated financial statements concerning the measurement and recognition of these assets. Based on the work carried out, we consider that the assumptions and estimates employed by Group management with respect to the recovery of the assets analysed are reasonable and consistent with the evidence obtained.
Assessment of the recovery of the Group’s assets in Venezuela	
As indicated in note 20.3 to the accompanying consolidated financial statements, the Group's asset exposure in Venezuela at December 31, 2020, amounts to €320 million. This amount mainly includes the financing in dollars granted by the Group to the joint ventures Cardon IV, S.A. and Petroquiriquire, S.A.(note 8.1) amounting to €341 million and the trade receivables with Petróleos de Venezuela, S.A. (PDVSA) amounting to €293 million that are presented as Other non-current assets (Note 14), less provisions for liabilities and charges amounting to €423 million (note 13).	Our analysis started with understanding the processes that the Group has in place to perform the analysis of the assets’ value, including the relevant controls implemented. With the collaboration of our team in Venezuela, we gained an understanding of the country’s political, social and economic situation.

Key audit matter	How our audit addressed the key audit matter
As detailed in note 20.3, the country's general situation is affected by an economic recession, a regulated exchange system, high levels of inflation and the constant devaluation of local currency, an oil sector characterised by major public sector intervention and involvement, with sharply declining output in the past few years, political instability, the state of economic emergency and international disciplinary measures, among others. Except in the case of Quiriquire Gas, S.A., whose carrying amount is zero, the functional currency of investments in Venezuela is the US dollar, as indicated in note 20.3 to the accompanying consolidated financial statements. Within the context described, the Group analysed the recovery of its investments in Venezuela and the credit risk associated with its accounts receivable with PDVSA and recognised impairment of €75 million in the consolidated income statement, as detailed in note 20.3. In order to determine the expected loss on the loans to the joint ventures and the accounts receivable with PDVSA, the Group hired an independent expert to validate management's judgements. This matter requires a high level of judgement and estimation (note 20.3) that management should make in order to assess the recovery of its assets in Venezuela and so has been considered a key audit matter.	With respect to the investment in Cardón IV, S.A., we assessed the competence and objectivity of the auditor of this component and obtained and assessed the communications issued by him, including his overall findings, conclusions and opinion. Additionally, we assessed the financial information of Petroquiriquire, S.A. that have been included in the Group's consolidated financial statements using the equity method. With respect to the analysis of impairment losses on non-current assets of the above companies, we carried out audit procedures like those described previously in the key audit matter section "Assessment of the recovery of the carrying amount of the Group's non-current assets in Upstream" In addition, we assessed the reasonableness of the provisions for liabilities and charges. In order to analyse the credit risk on the loans granted to the joint ventures and the accounts receivable with PDVSA, we carried out the following audit procedures, among others: • Obtaining and assessment of the loan contracts with Cardon IV, S.A. and Petroquiriquire, S.A.and other relevant contractual information. • Together with our experts in financial instruments, we analysed the reasonableness of the expected loss model prepared by management. • We analysed the information included in the report of the independent expert, engaged by the Group to assess management's judgements on Venezuela's credit risk and assessed the competence of this expert and his objectivity to satisfy ourselves that he was properly qualified to perform that engagement.

Key audit matter	How our audit addressed the key audit matter
	Finally, we assessed the sufficiency of the information disclosed in the consolidated financial statements concerning the situation in Venezuela, the Group's presence in the country and the assumptions underpinning the measurement of these assets. Based on the work carried out, we consider that the assumptions and estimates employed by Group management with respect to the recovery of the assets analysed are reasonable and consistent with the evidence obtained
Analysis of the effects of the partial arbitration award in relation to the acquisition of Talisman Energy UK Limited (TSEUK), currently Repsol Sinopec Resources UK Limited (RSRUK) As mentioned in note 15 to the accompanying consolidated financial statements, Addax Petroleum UK Limited (Addax) and Sinopec International Petroleum Exploration and Production Corporation (Sinopec) filed a "Notice of arbitration" against Talisman Energy Inc. (currently "Repsol Oil & Gas Canada Inc. – ROGCI) and Talisman Colombia Holdco Limited (TCHL) in relation to the acquisition of 49% of the shares of TSEUK in 2012 by Addax and Sinopec. This transaction took place before the acquisition of the Talisman group by Repsol in 2015. On 29 January 2020 the Arbitration Court of Singapore issued a partial arbitration award, deciding that ROGCI and TCHL are liable vis-á-vis Sinopec and Addax for certain information and representations provided during the aforementioned acquisition process. The partial award issued addresses one of the five issued to be settled with respect to the liability phase of the established procedure. The Court has signalled that it will decide on the other issues through subsequent awards although it is currently unknown when these will be issued. Once a decision has been taken on all issues, a new procedural phase will be necessary in order to determine the amounts involved, no timeline having yet been established. Repsol Group management considers that the final award will not be issued before the first quarter of 2022, time when the amount of the indemnity to be settled will be established.	Our audit procedures relating to this matter included the following, among others: • Meetings and discussions with Group management to understand their analysis and assessment of the risks underlying the arbitration award. • Obtaining the assessment of the Group's external lawyers concerning the classification of the risks identified for the Repsol Group in the award received and their implications. • With the collaboration of our legal experts, we analysed the award documentation and assessed whether the risks identified therein by internal and external lawyers agree with its content. • Understanding and assessing the methodology applied by the Group in order to quantify the risks deriving from its analysis of the arbitration award and verifying whether the risks quantified by the Group agree with those resulting from the award received. • Checking the estimates made with the documentation included in the arbitration award and verifying the mathematical accuracy of the calculations prepared by management.

Key audit matter	How our audit addressed the key audit matter
On 28 April 2020 Repsol contested the partial award with the courts of Singapore and the appeal for annulment is expected to be resolved in the second quarter of 2021. Under these circumstances, and in view of this first partial award and the information currently available, Repsol Group management estimated the economic impacts that could finally result from the dispute as a whole and established the relevant provision as indicated in note 15. This is a key matter as it entails management applying critical judgements and significant estimates (notes 3.5 and 15.2) in the calculations made, which are subject to uncertainty, and because changes in the evolution of such arbitration could have a significant impact on the Group's consolidated financial statements	Finally, we considered the sufficiency and adequacy of the information disclosed in the consolidated financial statements concerning this matter. Based on the procedures carried out, we consider that management's approach and conclusions and the information disclosed in the accompanying consolidated financial statements are consistent with the available evidence.

Other information: Consolidated management report

Other information comprises only the consolidated management report for the 2020 financial year, the formulation of which is the responsibility of the Parent company's directors and does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility regarding the consolidated management report, in accordance with legislation governing the audit practice, is to:

a) Verify only that the consolidated statement of non-financial information and certain information included in the Annual Corporate Governance Report, as referred to in the Auditing Act, has been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.

b) Evaluate and report on the consistency between the rest of the information included in the consolidated management report and the consolidated annual accounts as a result of our knowledge of the Group obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the consolidated management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the consolidated management report is consistent with that contained in the consolidated annual accounts for the 2020 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the directors and the audit and control committee for the consolidated financial statements

The Parent company's directors are responsible for the preparation of the accompanying consolidated financial statements, such that they fairly present the consolidated equity, financial position and financial performance of the Group, in accordance with International Financial Reporting Standards as adopted by the European Union and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent company's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent company's audit and control committee is responsible for overseeing the process of preparation and presentation of the consolidated financial statements.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent company's directors.

- Conclude on the appropriateness of the Parent company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent company's audit and control committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent company's audit and control committee with a statement that we have complied with relevant ethical requirements, including those relating to independence, and we communicate with the audit and control committee those matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Parent company's audit and control committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

Single European Electronic Format

We have examined the digital files of the European single electronic format (ESEF) of Repsol, S.A. and investees comprising the Repsol Group for the 2020 financial year that comprise an XHTML file which includes the consolidated annual accounts for the financial year and XBRL files with tagging performed by the entity, which will form part of the annual financial report.

The directors of Repsol, S.A. are responsible for presenting the annual financial report for the 2020 financial year in accordance with the formatting and markup requirements established in the Delegated Regulation (EU) 2019/815 of 17 December 2018 of the European Commission (hereinafter the ESEF Regulation).

Our responsibility is to examine the digital files prepared by the Parent company's directors, in accordance with legislation governing the audit practice in Spain. This legislation requires that we plan and execute our audit procedures in order to verify whether the content of the consolidated annual accounts included in the aforementioned digital files completely agrees with that of the consolidated annual accounts that we have audited, and whether the format and markup of these accounts and of the aforementioned files has been effected, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital files examined completely agree with the audited consolidated annual accounts, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Report to the Parent company's audit and control committee

The opinion expressed in this report is consistent with the content of our additional report to the Parent company's audit and control committee dated February 18, 2021.

Appointment period

The General Ordinary Shareholders' Meeting held on May 19, 2017, appointed PricewaterhouseCoopers Auditores, S.L. as auditors of the Group for a period of three years, as from the year ended December 31, 2018.

Services provided

Services provided to the audited Group for services other than the audit of the accounts are disclosed in note 32.2 to the consolidated financial statements.

PricewaterhouseCoopers Auditores, S.L. (S0242)

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Iñaki Goiriena Basualdu (16198)

February 18, 2021

REPSOL Group

Consolidated financial statements

2020

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

REPSOL

Repsol, S.A. and Investees comprising the Repsol Group
Balance sheet at December 31, 2020 and 2019

ASSETS	Note	€ Million 12/31/2020	12/31/2019
Intangible assets	11	3,353	4,470
Property, plant and equipment	12	20,927	23,145
Investments accounted for using the equity method	13	5,897	7,237
Non-current financial assets	8	916	1,125
Deferred tax assets	22	3,745	4,050
Other non-current assets	14	880	1,381
NON-CURRENT ASSETS		**35,718**	**41,408**
Non-current assets held for sale		5	5
Inventories	16	3,379	4,597
Trade and other receivables	17	4,056	5,911
Other current assets		239	195
Other current financial assets	8	1,584	2,800
Cash and cash equivalents	8	4,321	2,979
CURRENT ASSETS		**13,584**	**16,487**
TOTAL ASSETS		**49,302**	**57,895**

EQUITY AND LIABILITIES	Note	€ Million 12/31/2020	12/31/2019[1]
Shareholders' equity		21,185	24,335
Other cumulative comprehensive income		(890)	593
Non-controlling interests		244	281
EQUITY	6	**20,539**	**25,209**
Non-current provisions	15	3,572	3,912
Non-current financial liabilities	7	12,123	10,929
Deferred tax liabilities and other tax items	22	2,142	2,375
Other non-current liabilities		407	385
NON-CURRENT LIABILITIES		**18,244**	**17,601**
Current provisions	15	740	865
Current financial liabilities	7	3,880	6,538
Trade and other payables	18	5,899	7,682
CURRENT LIABILITIES		**10,519**	**15,085**
TOTAL EQUITY AND LIABILITIES		**49,302**	**57,895**

Repsol, S.A. and Investees comprising the Repsol Group
Income statement for the years ending December 31, 2020 and 2019

	Note	2020 (€ Million)	2019 (€ Million)
Sales		32,956	49,006
Income from services rendered and other income		326	322
Changes in inventories of finished goods and work in progress		(624)	11
Other operating income		985	725
Procurements		(24,835)	(36,803)
Amortization and depreciation of non-current assets		(2,207)	(2,434)
(Provision for)/Reversal of impairment provisions		(2,159)	(5,322)
Personnel expenses		(1,845)	(1,946)
Transport and freights		(1,272)	(1,314)
Supplies		(556)	(888)
Gains/(Losses) on disposal of assets		102	147
Other operating expenses		(3,425)	(4,755)
OPERATING INCOME / (LOSS)	19	**(2,554)**	**(3,251)**
Net interest		(244)	(243)
Change in fair value of financial instruments		(148)	216
Exchange gains/(losses)		406	(27)
Impairment of financial instruments		57	6
Other financial income and expenses		(212)	(253)
FINANCIAL RESULT	21	(141)	(301)
NET INCOME FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	13	(609)	351
NET INCOME / (LOSS) BEFORE TAX		**(3,304)**	**(3,201)**
Income tax	22	(16)	(588)
CONSOLIDATED NET INCOME / (LOSS) FOR THE PERIOD		**(3,320)**	**(3,789)**
NET INCOME / (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		31	(27)
NET INCOME / (LOSS) ATTRIBUTABLE TO THE PARENT		**(3,289)**	**(3,816)**

	Note	2020	2019
EARNINGS PER SHARE ATTRIBUTABLE TO THE PARENT	23	**Euros / share**	
Basic		(2.13)	(2.33)
Diluted		(2.13)	(2.33)

[(1)] Net of taxes.

Repsol, S.A. and investees comprising the Repsol Group
Statement of recognized profit or loss corresponding to the years ending December 31, 2020 and 2019

	€ Million	
	2020	**2019**
CONSOLIDATED NET INCOME / (LOSS) FOR THE PERIOD	**(3,320)**	**(3,789)**
Due to actuarial gains and losses	(9)	(5)
Investments accounted for using the equity method	(11)	(3)
Equity instruments with changes through other comprehensive income	(27)	14
Tax effect	—	1
OTHER COMPREHENSIVE INCOME / (LOSS). ITEMS NOT RECLASSIFIABLE TO NET INCOME / (LOSS)	(47)	7
Cash flow hedging:	**58**	**1**
Valuation gains / (losses)	78	(55)
Amounts transferred to the income statement	(20)	56
Translation differences:	**(1,482)**	**406**
Valuation gains / (losses)	(1,445)	431
Amounts transferred to the income statement	(37)	(25)
Tax effect	**(35)**	**12**
OTHER COMPREHENSIVE INCOME / (LOSS). ITEMS RECLASSIFIABLE TO NET INCOME	(1,459)	419
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS)	**(1,506)**	**426**
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	**(4,826)**	**(3,363)**
a) Attributable to the parent	(4,792)	(3,391)
b) Attributable to non-controlling interests	(34)	28

Repsol S.A. and Investees comprising the Repsol Group
Statement of changes in equity corresponding to the years ending December 31, 2020 and 2019

	Equity attributable to the parent and other equity instrument holders							
	Shareholders' equity							
€ Million	Share capital	Share premium and reserves	Treasury shares and own equity investments	Net income for the period attributable to the parent	Other equity instruments	Other cumulative comprehensive income	Non-controlling interests	Equity
Closing balance at 12/31/2018	**1,559**	**25,894**	**(350)**	**2,341**	**1,024**	**160**	**286**	**30,914**
Impact of new standards	—	(162)	—	—	—	—	—	(162)
Adjusted opening balance	**1,559**	**25,732**	**(350)**	**2,341**	**1,024**	**160**	**286**	**30,752**
Total recognized income/(expenses)	**—**	**(7)**	**—**	**(3,816)**	**—**	**432**	**28**	**(3,363)**
Transactions with partners or owners								—
Share capital increase/(reduction)	78	(78)	—	—	—	—	—	—
Dividends and shareholder remuneration	—	(330)	—	—	—	—	(7)	(337)
Transactions with treasury shares and own equity investments (net)	(71)	(932)	(820)	—	—	—	—	(1,823)
Increases/(reductions) due to changes in scope	—	21	—	—	—	4	(25)	—
Other equity variations								—
Transfers between equity-line items	—	2,341	—	(2,341)	—	—	—	—
Subordinated perpetual obligations	—	(29)	—	—	—	—	—	(29)
Other variations	—	13	—	—	—	(3)	(1)	9
Closing balance at 12/31/2019	**1,566**	**26,731**	**(1,170)**	**(3,816)**	**1,024**	**593**	**281**	**25,209**
Total recognized income/(expenses)	—	(20)	—	(3,289)	—	(1,483)	(34)	(4,826)
Transactions with partners or owners								
Share capital increase/(reduction)	101	(101)	—	—	—	—	—	—
Dividends and shareholder remuneration	—	(338)	—	—	—	—	(1)	(339)
Transactions with treasury shares and own equity investments (net)	(99)	(1,267)	1,008	—	—	—	—	(358)
Other equity variations								
Transfers between equity-line items	—	(3,816)	—	3,816	—	—	—	—
Subordinated perpetual obligations	—	(54)	—	—	907	—	—	853
Other variations	—	(3)	—	—	5	—	(2)	—
Closing balance at 12/31/2020	**1,568**	**21,132**	**(162)**	**(3,289)**	**1,936**	**(890)**	**244**	**20,539**

Repsol S.A. and Investees comprising the Repsol Group
Statement of cash flows corresponding to the years ending December 31, 2020 and 2019

		€ Million	
	Note	**2020**	**2019**
Income before tax		**(3,304)**	**(3,201)**
Adjustments to income:		**5,074**	**8,632**
Amortization of non-current assets	11 and 12	2,207	2,434
Other (net)		2,867	6,198
Changes in working capital		**1,000**	**137**
Other cash flows from operating activities:		**(32)**	**(719)**
Dividends received		183	464
Income tax refunded/(paid)		100	(975)
Other proceeds from/(payments for) operating activities		(315)	(208)
CASH FLOWS FROM OPERATING ACTIVITIES	24	**2,738**	**4,849**
Payments for investments:	12 and 13	**(3,368)**	**(6,390)**
Group companies and associates		(132)	(107)
Property, plant and equipment, intangible assets and investment property		(1,886)	(3,227)
Other financial assets		(1,350)	(3,056)
Proceeds from divestments:		**3,538**	**1,895**
Group companies and associates		1,010	17
Property, plant and equipment, intangible assets and investment property		104	133
Other financial assets		2,424	1,745
Other cash flows from investing activities		**52**	**88**
CASH FLOWS FROM INVESTING ACTIVITIES	24	**222**	**(4,407)**
Proceeds from and (payments for) equity instruments:	6	**508**	**(1,844)**
Issue		1,491	—
Return and redemption		(605)	—
Acquisition		(766)	(1,911)
Disposal		388	67
Proceeds from and (payments for) financial liability instruments:	7	**(1,206)**	**412**
Issuance		10,163	13,213
Repayment and redemption		(11,369)	(12,801)
Payments on shareholder remuneration and other equity instruments	6	**(346)**	**(396)**
Other cash flows from financing activities:		**(571)**	**(461)**
Interest payments		(417)	(467)
Other proceeds from/(payments for) financing activities		(154)	6
CASH FLOWS FROM FINANCING ACTIVITIES	24	**(1,615)**	**(2,289)**
EXCHANGE RATE FLUCTUATIONS EFFECT		**(3)**	**40**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	24	**1,342**	**(1,807)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**2,979**	**4,786**
CASH AND CASH EQUIVALENTS AT END OF PERIOD:	8	**4,321**	**2,979**
Cash and banks		2,234	2,370
Other financial assets		2,087	609

Repsol S.A. and Investees comprising the Repsol Group
NOTES TO THE 2019 FINANCIAL STATEMENTS

NOTES

(1) The Appendices form an integral part of the consolidated Financial Statements.

GENERAL INFORMATION

(1) About these Financial Statements

These Financial Statements of Repsol, S.A. and its investees, comprising the Repsol Group, present fairly the Group's equity and financial position at December 31, 2020, as well as the Group's earnings performance, the changes in the consolidated equity and the consolidated cash flows for the year then ended.

They are presented in accordance with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), adopted by the European Union (EU) as of December 31, 2020, and other provisions of the applicable regulatory framework. Their preparation makes it necessary to use accounting estimates and judgments when applying the accounting standards. The areas in which most significant judgements and estimates have to be made are detailed in Note 3.

These Financial Statements include information relating to climate change, prepared following the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), which Repsol has voluntarily joined (see Note 29), in line with its commitment to the objectives of the Paris Climate Summit and Sustainable Development Goals of the United Nations.

The preparation of the consolidated Financial Statements is the responsibility of the directors of Repsol, S.A., the parent company of the Group. They were authorized for issue by the Board of Directors of Repsol, S.A. at its meeting held on February 17, 2021 and they will be submitted for approval at the Annual General Meeting; it is expected that they will be approved without any modifications. The 2019 consolidated Financial Statements were approved at Repsol's Annual General Meeting held on May 8, 2020.

The Group's Management Report, which includes financial and non-financial information and, in particular, sustainability information, is published together with the consolidated Financial Statements. This integrated Management Report can be found on the Repsol website[1].

(2) About Repsol

2.1) Repsol Group

Repsol is a group of companies with a presence worldwide (hereinafter *"Repsol"*, *"Company"*, *"Repsol Group"* or *"Group"*) that, with a vision of being a multi-energy efficient, sustainable and competitive company, performs activities in the hydrocarbon sector throughout its entire value chain (exploration, development and production of crude oil and natural gas, refining, production, transportation and sale of a wide range of oil and petrochemical products, oil derivatives and natural gas), as well as activities for the generation and sale of electricity[2]. The Group comprises more than 300 companies, subsidiaries, joint arrangements and associates incorporated in more than 40 countries (mainly in Spain, Canada, the United States, and the Netherlands) that, from time to time, carry out activities abroad through branches, permanent establishments, etc. The Group's main companies and the summarized corporate organization chart are presented in section 4.4 of the 2020 Management Report. For detailed information, see Appendix IA to these Financial Statements.

The Group operates in several business segments, the definition of which was revised in the period: Exploration and Production, Industrial, and Commercial and Renewables (see Note 4), the main metrics of which are summarized below:

	Income from ordinary activities (1)		Operating Income		Adjusted net income		Capital employed	
€Million	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Upstream	3,047	5,270	351	1,969	195	1,050	12,608	17,205
Industrial	15,556	22,915	369	1,189	297	913	9,755	10,717
Commercial and Renewables	16,359	23,847	650	738	485	541	4,061	3,361
Corporate	1	1	(235)	(235)	(377)	(462)	893	2,009
TOTAL	**34,963**	**52,033**	**1,135**	**3,661**	**600**	**2,042**	**27,317**	**33,292**

Note: Figures calculated in accordance with the Group's reporting model described in Note 4 and Appendix II.
(1) See Note 19.1 and Appendix II.

[1] In addition, Repsol has published "Information on oil and gas exploration and production activities" and the "Report on payments to governments on oil and gas exploration and production activities". All these reports are available on the Repsol website.
[2] For further information, see section 4.1 Value chain and business segments of the 2020 Management Report.

With regard to the changes in the composition of the Group in 2020, the acquisition of new assets related to the energy transition is worthy of note, including renewable electricity generation projects in Chile (agreement with the Ibereólica Group to carry out a portfolio of renewable energy projects in Chile, both wind and solar power projects in varying stages of completion, which total 2.6 GW). Accordingly, in November 2019, the 63% interest of its partner, Equinor, in the non-conventional production asset of Eagle Ford was acquired for $352 million.

In 2020, Repsol's corporate structure was adjusted in order to bring it into line with the new definition and objectives of the business segments established in the 2021-2025 Strategic Plan. The Group's subsidiaries operating in each of the businesses have been grouped together under sub-holding entities (Customer, Industrial, Low-Carbon Generation and Upstream), which will enable more flexible and differentiated management and financing of the various businesses and facilitate the construction and transformation of the businesses in accordance with the objectives of the Strategic Plan against the backdrop of the energy transition. This reorganization did not have any significant impact on the Group's financial statements.

For further information on changes in the Group's composition, see Appendix IA and IB.

2.2) Parent company

The parent company of the Group is Repsol, S.A. It is registered at the Madrid Companies Register on sheet no. M-65289; its tax ID number (C.I.F.) is A-78/374725 and its C.N.A.E. no. is 70.10.

Repsol, S.A. is a private-law entity, incorporated in accordance with Spanish law, which is subject to the Spanish Companies Act (*Ley de Sociedades de Capital*), and all other legislation related to listed companies.

Its registered office is located at calle Méndez Álvaro, 44, Madrid, where the Shareholder Information Office is also located, the telephone number of which is 900 100 100.

The shares of Repsol, S.A. are represented by book entries and listed on the continuous market of the Spanish stock exchanges (Madrid, Barcelona, Bilbao and Valencia). The Company also has an ADS (American Depositary Shares) Program, which is quoted on the OTCQX market (a platform in the US over-the-counter markets that differentiates those issuers with better market information policies and solid business activities).

2.3) Main new developments in the year[3]

COVID-19 and 2020 Resilience Plan

On March 11, 2020, the World Health Organization raised to the status of global pandemic the public health emergency caused by SARS-CoV-2 virus (commonly known as coronavirus, while COVID-19 denotes the disease caused by the virus). The rapid spread of COVID-19, on an international scale, has triggered an unprecedented healthcare, social and economic crisis that continues to evolve.

The economic impact of the pandemic, combined with pre-existing complications on the supply and demand side, has resulted in an exceptionally challenging pricing environment for oil and gas. At the beginning of the year, most analysts expected to see an oil market with a tighter balance between supply and demand than in 2019. However, the pandemic has triggered an abrupt drop in the global consumption of oil, gas and other energy products following the mobility restrictions deployed around the world to contain the spread of the disease and its impact on the economy. In early March 2020, OPEC+ members failed to reach an agreement to make further cuts in oil production to counteract the decline in demand. In these circumstances, there came about the largest collapse in decades in crude oil and gas prices, which fell as low as $20/bbl Brent and $1.7/MBtu Henry Hub. However, economic activity gradually recovered throughout the second quarter - in different countries and to different degrees. Coupled with the agreements finally reached by producing countries to limit oil output, this rebalanced supply and demand in the market and aided a recovery of oil prices. For further information on the performance of crude oil and gas prices and their expected future development, see sections 5 and 9 of the 2020 Management Report.

Even amid these difficult circumstances, Repsol has sustained the safe operation of its businesses, most of which are officially considered essential or strategic activities in the countries where we are present.

The overall decline in business volume and the deterioration of economic conditions as a result of the pandemic have affected the activities and results of the Company's businesses, as explained in detail in sections 2 and 6.1. of the 2020 Management Report.

[3] For a complete description of the main events during the period, see section 1 *Highlights of 2020* in the 2020 Consolidated Management Report.

In March, the Board of Directors of Repsol assessed the context and the foreseeable evolution of the economic situation, particularly the global impact of COVID-19, the downturn in oil and gas market prices and their impact on the Company's businesses and activities. The Board adopted the "2020 Resilience Plan", taking into account a very demanding macroeconomic environment for the rest of the year, which led to reductions of more than €350 million in Opex and more than €1 billion in Capex, compared with the metrics in our initial budget.

The Company's financial goal was to preserve a robust balance sheet and investment grade credit rating and not increase net debt in 2020 compared to year-end 2019, and to maintain the shareholder remuneration commitment for 2020 under the previous Strategic Plan.

For further information on the 2020 Resilience Plan, see section 2 of the 2020 Management Report.

Against this backdrop of uncertainty and marked by the emergence from the COVID-19 crisis, the oil and gas price expectations used to calculate the recoverable amount of the assets were revised downward. This had an impact on their carrying amount of €-2,774 million after tax in the Exploration and Production segment (see Note 20), with no significant impact on the Industrial or the Commercial and Renewables segments.

It is difficult to predict to what extent and for how long the impact of the pandemic will affect Repsol's businesses in the future. The lower global demand for crude oil, gas and oil products as a result of the reduction in economic activity and, in particular, the restrictions to mobility, may have a negative impact on prices, production levels and sales volumes; the deterioration of global financial conditions may affect the cost of capital, liquidity or solvency of our customers and partners in joint operations, and so on. The pandemic's evolution, the availability and effectiveness of vaccines, the control measures that health authorities may take and the financial and fiscal policies that may be adopted to mitigate the economic and social impact of the crisis might influence both the scope and the length of both the crisis and its subsequent recovery.

2021-2025 Strategic Plan

In November, Repsol presented its Strategic Plan for the 2021-2025 period (the Plan), which will set the Company's transformation in the coming years and will involve accelerating the energy transition, prioritizing profitable growth and maximum value for shareholders, with a significant increase in cash generation and financial discipline.

The Plan commits to the decarbonization of the asset portfolio and a new operating model, establishing a demanding roadmap, with more ambitious intermediate targets for emissions reduction than the December 2019 commitment, in order to continue to successfully advance towards the goal of net zero emissions by 2050.

Repsol will develop its organization by rolling out four business areas (Upstream, Industrial, Customer and Low-emission generation), with planned investments in low carbon initiatives amounting to €5,500 million (30% of the total) in the period.

Shareholder remuneration will combine a cash payment with share repurchases. The remuneration of €0.60 per share will increase to €0,75 per share in the Plan period (including share repurchases, it will reach at least €1 per share in 2025). Considering the price scenarios included in the Strategic Plan, cash will be generated to cover investments, compensate shareholders and end the Plan with a level of debt similar to that of 2020.

For more information, see section 3 "New Strategic Plan" of the 2020 Management Report.

Other events in the period:

- During the year, the Group strengthened its **financial and liquidity position** by issuing three senior bonds for a total amount of €2,350 million in April and October (see Note 7.2), issuing perpetual subordinated bonds for an amount of €1,500 million in June (see Note 6.4), and contracting an additional amount of €1,605 million in unused committed structural credit facilities (see Note 10.2). In addition, bonds with a nominal amount of €1,800 million were cancelled at maturity and €594 million of the perpetual subordinated bond issued in 2015 were repurchased (see Note 6.4). Furthermore, during the year Standard & Poor's, Moody's and Fitch confirmed Repsol's **investment grade rating**. For further information, see section 6.3. of the 2020 Management Report.

- In fulfilling the commitment made under the Resilience Plan, Repsol has offered **shareholder remuneration** equal to €0.916/share in the form of a scrip dividend through the "Repsol Flexible Dividend" program. In addition, a capital reduction was carried out through the redemption of treasury shares aimed at offsetting the dilutive effect of the bonus share issues executed in 2020 under the framework of this program. For further information, see Note 6.3.

– The Company has continued to **move forward with its commitment to be net zero emissions by 2050** and to lead the energy transition. In this regard, the most representative milestones are two innovative industrial decarbonization projects in Petronor (new synthetic fuel plants with net zero emissions from renewable hydrogen and gas generation from urban waste) and another in Cartagena with the construction of the first advanced biofuel plant in Spain. In addition, it has continued to pursue renewable projects with the commencement of work on the solar power plants in Ciudad Real and Badajoz, the acquisition and connection to the grid of renewable assets for the wind power projects located in Aragon, and the closing of the agreement with the Ibereólica Renovables Group in Chile. For more information, see section 7.3.4 of the 2020 Management Report.

(3) Criteria for the preparation of these Financial Statements

3.1) General principles

The consolidated Financial Statements were prepared based on the accounting records of Repsol, S.A. and its investees. They are presented in accordance with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), adopted by the European Union (EU) as of December 31, 2020, and other provisions of the applicable regulatory framework.

Repsol prepares its consolidated financial statements including the investments in all its subsidiaries, joint arrangements and associates, whose accounting standards have been unified with those of the parent in order to present consolidated financial statements by applying uniform accounting policies.

The consolidated Financial Statements are presented in millions of euros, which is also the functional currency of the parent company.

3.2) Comparative information

The new developments in the accounting standards applied by the Group as of January 1, 2020[4] did not have a significant impact given their nature and scope.

Restatement of earnings per share

In accordance with accounting standards, earnings per share at December 31, 2020 have been restated with respect to the information published in the consolidated financial statements for 2019, as the average number of outstanding shares considered in the calculation should take account of the new number of shares issued after the capital increase carried out as part of the "*Repsol Flexible Dividend*" shareholder remuneration program described in Note 6.3.

[4] The following standards were applied as of January 1, 2020 without any significant impact on the Group's financial statements: i) Amendments to IAS 1 and IAS 8 - *Definition of material*; ii) Amendments to References to the Conceptual Framework for Financial Reporting; and iii) Amendments to IFRS 3 - *Definition of a business*. The Amendments to IFRS 16 - COVID-19-*Related Rent Concessions* were applied as of June 1, 2020. The Amendments to IFRS 9, IAS 39 and IFRS 7 - *Interest rate benchmark reform (Phase 1)*, which were mandatory as of January 1, 2020, were applied early in 2019.

3.3) New standards issued for mandatory application in future years

The standards and amendments to standards issued by the IASB that will be mandatory in future reporting periods are listed below:

Standards and amendments to standards	Date of first application
Adopted by the European Union	
Amendments to IFRS 4 - *Deferral of effective date of IFRS 9*	January 1, 2021
Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16 - *Interest rate benchmark reform (Phase 2)*	January 1, 2021
Pending adoption by the European Union	
Amendments to IFRS 3 - *Amendments to References to the Conceptual Framework for Financial Reporting*	January 1, 2022
Amendments to IAS 16 - *Proceeds before intended use*	January 1, 2022
Amendments to IAS 37 - *Onerous contracts: Cost of fulfilling a contract*	January 1, 2022
Annual improvements to IFRSs: 2018-2020	January 1, 2022
IFRS 17 - *Insurance contracts*	January 1, 2023
Amendments to IAS 1 - *Classification of liabilities as current or non-current*	January 1, 2023
Amendments to IFRS 17 - *Insurance contracts*	January 1, 2023
Amendments to IAS 1 - *Disclosure of Accounting Policies*	January 1, 2023
Amendments to IAS 8 - *Definition of Accounting Estimates*	January 1, 2023
Amendments to IFRS 10 and IAS 28 - *Sale or contribution of assets between an investor and its associate or joint venture*	Undefined

The Group is currently assessing the potential impacts the application of these standards may have on the consolidated financial statements, without any material impacts having been identified to date.

3.4) Basis of consolidation and accounting policies

Repsol classifies investments as subsidiaries, joint arrangements and associates based on the control exercised over them:

i. subsidiaries: those over which Repsol exercises direct or indirect control and are fully consolidated;

ii. joint ventures: those in which strategic operational and financial decisions require the unanimous consent of the parties sharing control (joint control) and are classified as i) joint operations arranged through a Joint Operating Agreement (JOA) or similar vehicle and whose interests are held by the Group through its ownership interest in subsidiaries that are fully consolidated, or ii) joint ventures (JVs) that are accounted for using the equity method.

   In the Oil & Gas industry, hydrocarbon exploration and production activities are usually carried out through collaboration or association with companies that qualify as joint arrangements that are set up through JOAs that are included in the financial statements of the partners on the basis of the interest in the assets, liabilities, income and expenses arising from the agreement or as joint ventures that are included in the financial statements of the partners using the equity method; and

iii. associates: interests over which it has significant influence, which do not require consent from Repsol in making strategic operational and financial decisions but over which it has the power to participate, and that are accounted for using the equity method.

The items included in these consolidated Financial Statements relating to the Group companies are measured using their functional currency, which is the currency of the main economic environment in which they operate; when this differs from the presentation currency, the conversion is carried out as stated below: i) the assets and liabilities in each of the balance sheets presented are translated applying the closing exchange rate on the balance sheet date, ii) income and expense items are translated applying the average cumulative exchange rate for the financial year in which the transactions were performed (however, the transaction-date exchange rate is used to translate significant transactions), and iii) any exchange differences arising as a result of the foregoing are recognized under "*Equity - Translation differences*".

Transactions in currencies other than the functional currency of a Group company are deemed to be 'foreign currency transactions' and are translated to the functional currency by applying the exchange rates prevailing at the date of the transaction. At each year end, the foreign currency monetary items on the balance sheet are measured applying the exchange rate prevailing at that date and the exchange rate differences arising from such measurement are recognized under "*Financial result - Exchange gains/(losses)*".

Lastly, it should be noted that the significant accounting policies and options are highlighted, in text boxes, throughout the notes to these Financial Statements, except for those specific to hydrocarbon exploration and production activities, which are described in section 3.7 of this note.

3.5) Accounting estimates and judgements

The preparation of financial statements in accordance with applicable accounting principles makes it necessary to make judgements and estimates that affect the recognition and valuation of assets and liabilities, income and expenses for the period, and the breakdown of the contingent assets and liabilities. The actual results could differ significantly depending on the estimates made.

The accounting policies and areas that require the highest degree of judgement and estimates in the preparation of these financial statements are: (i) crude oil and natural gas reserves (see Note 3.7); (ii) recoverable amount of assets (see Note 3.6 and Note 20); (iii) provisions for litigation, decommissioning and other contingencies (see Note 15); (iv) income tax, tax credits and contingencies, and deferred tax assets (see Note 22); (v) market value of derivative financial instruments (see Notes 7.6 and 9); (vi) expected loss on financial instruments (see Notes 10 and 20.3); and (vii) assessment of investments in Venezuela (see Notes 13 and 20.3).

3.6) Calculating the recoverable amount of the assets

Calculating the recoverable amount

The methodology used by the Group to estimate the recoverable amount of assets is, in general, the value in use calculated by discounting to present value the future cash flows after tax expected to derive from the operation of these assets.

The cash flow projections are based on the best available estimates of the income, expenses and investments of the different cash-generating units (CGUs)[5], whereby they use sector forecasts, prior results and the outlook for the performance of the business and development of the market:

– Macroeconomic variables are those used in the preparation of the budgets. The macroeconomic framework for the countries in which the Group operates takes into consideration variables such as inflation, GDP, exchange rate, etc. and is prepared on the basis of the content of internal reports that use in-house estimates, based on updated external information of relevance (forecasts prepared by consultants and specialized entities).

– The oil, natural gas, electricity and CO_2 price paths used for the impairment test are our own estimates, although they are consistent or in line with the view of prices established by the various international benchmark agencies, including the International Energy Agency (IEA). The paths are developed on the basis of available macroeconomic, financial and market information and the forecasts provided by analysts and they consider scenarios for the energy transition and decarbonization of the economy that are consistent with the commitments assumed to achieve the objectives of the Paris Climate Summit.

  In particular, crude oil and gas prices are calculated by analyzing key market variables and their foreseeable trend, including our own forecasts of the balance of supply and demand of energy and prices. The longer-term vision is also explained by monitoring other variables such as: the decline, the current CAPEX, the financial sustainability of companies in the sector to certain price environments, and the dynamics in OPEC countries in terms of fiscal sustainability. Econometric models of prices are made with all these elements, which are compared with both public and private external forecasts.

  i. To estimate near-term price trends, forecast reports produced by a selection of investment banks, macro consultants (Platts Analytics, IHS, Wood Mckenzie, Energy Aspects and Oxford Economics) and international benchmark agencies (the International Energy Agency (IEA) and the US Energy Information Administration (EIA)) are taken into account.

  ii. The sources that present a sufficiently detailed analysis of long-term forecasts are the benchmark agencies (International Energy Agency (IEA) and the US Energy Information Administration (EIA)), which also carry out detailed studies of supply, demand and price forecasts under different scenarios.

  In 2020, in view of the situation in the commodity markets and in particular the social and economic consequences of the COVID-19 pandemic and the foreseeable development of the energy transition, the Group reviewed its expectations of future oil and gas prices, modifying the price paths defined at the end of 2019 to bring them into line with the new scenario. Note 20.1 specifies the assumptions regarding future prices used to perform the annual impairment test, which have led to valuation adjustments to significant assets.

– The most relevant CO_2 price path for the Group in the impairment test corresponds to the prices of emission allowances under the current EU ETS mechanism. Specific assumptions have been used for other countries with CO_2

[5] Cash-generating unit: the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets..

emission allowances or taxes. Those expressed in the annual information published refer to the prices of emission allowances under in the current EU ETS mechanism.

Discount rates

Future cash flows are discounted to their present value at a specific rate for each CGU, determined based on the currency of its cash flows and the risks associated with them. The discount rate used by Repsol is the weighted average cost of capital employed after tax for each country and business. This rate seeks to reflect current market assessments with regard to the time value of money and the specific risks of the business. Therefore, the discount rate used takes into account the risk-free rate, the country risk, the currency in which the cash flows are generated, and the market, credit and business risk. For the sake of consistency, estimated future cash flows do not reflect the risks that have already been considered in the discount rate or vice versa. The discount rate used considers the average leverage of the sector over the last five years, as a reasonable approximation of the optimal capital structure, using comparable oil companies as a reference and their main components are as follows:

- The risk-free interest rate for cash flows in US dollars is the US 10-year government bond and for cash flows in euros it is the German 10-year sovereign bond;
- With regard to country risk, the following are used: (i) market quotations, such as the spread of sovereign bonds in euros or US dollars over debt issued by Germany (euros) or the US (USD), respectively, (ii) country risk estimates contained in the EMBI (Emerging Markets Bond Index) published by JP Morgan, and (iii) country risk estimates published by three external providers - Country Risk Rating (IHS Global Insight), International Country Risk Guide (PRS Group) and Business Monitor (Fitch Group) - all adjusted for specific risks of the business and/or asset;
- A different credit risk premium is used depending on the currency (EUR and USD); and
- Business risk premiums are specifically calculated on the basis of 5-year historical series from comparable companies, for the Upstream, Refining & Marketing, Chemical, Gas & Power, LPG and Renewables businesses.

Note 20.1 shows the discount rates used in the 2020 impairment test.

Hydrocarbon exploration and production assets

Valuations of the production assets of Exploration and Production (Upstream) use cash flow projections for a period that covers the economically productive useful lives of the oil and gas fields, limited by the contractual expiration of the operating permits, agreements or contracts. The general principles applied to determine the variables that most affect the cash flows of this business are described below:

- Hydrocarbon sale prices. The main international benchmark prices used by the Group are: Brent, WTI (West Texas Intermediate) and HH (Henry Hub). In countries where international list prices do not reflect local market circumstances, the prices modeled factor in local market prices.
- Reserves, resources and production profiles. Production profiles are estimated on the basis of output levels at existing wells and the development plans in place for each productive field (see "*Estimate of crude oil and gas reserves and resource*s" in the section below).
- Operating expenses and investments. These are calculated for the first year on the basis of the Group's annual budget and thereafter in accordance with the asset development programs.

Assets of the Industrial, and Commercial and Renewables businesses

Cash flows are estimated on the basis of the outlook for their key variables (demand for oil products, unit contribution margins, fixed investment costs required to maintain the level of activity), in accordance with the expectations reflected in the annual budget and in the strategic plans for each business, in line with the new scenario of energy transition and decarbonization of the economy. Cash inflows and outflows corresponding to future restructuring exercises or transformation investments to enhance the assets' performance are not considered. The main particular features of the most significant businesses are described as follows:

- With regard to Refining in Spain, projections were made up to 2040. Demand for oil products is estimated to fall significantly both globally (by about 30% from 2017 to 2040) and in Europe (by about 60% over the same period). In this scenario, less investments will be made in the refining sector, which will partly offset the effect of the drop in demand.
- Five-year projections are made in the Chemicals business, extrapolating for subsequent years the flow corresponding to the fifth year without applying a growth rate. Chemical products play an important role in facilitating the energy

transition and decarbonization, as they are present throughout the value chain of almost all industries. The use of chemical products and solutions can help address several of the challenges associated with the energy transition, and many low-carbon technologies depend on innovations in chemistry to be more efficient, affordable and scalable (e.g., materials for solar panels, vehicle weight reduction, insulation, food preservation, energy savings and efficiency).

- The cash flows for the Wholesale and Trading Gas businesses in North America are projected according to the term of the regasification and gas transportation contracts and were estimated in accordance with the following assumptions:

  i. Gas and LNG prices. The international benchmark prices used are: HH, Algonquin, JKM (Japan Korea Marker) and NBP (National Balancing Point), adjusted in accordance with references in the corresponding market if the prices do not reflect market circumstances.

  ii. Gas and LNG sales volumes and margins. The volumes used for cash flow forecasting purposes are estimated on the basis of the contracts in force at year-end and activity estimates, all in accordance with the annual budget and strategic plan. Margins factor in historical data, the price forecasts detailed in the previous point and the outlook for margins going forward.

- With regard to the Mobility business, projections were made up to 2030 and then a rate of decline is applied. The reduction in demand for fossil fuels will be slower in Spain (especially up until 2030) than that projected in the IEA's sustainable development scenarios for Europe (35% in 2030 and 60% in 2040), due to the characteristics of the vehicle fleet, differences in per capita income and the importance of heavy traffic (which represents more than 30% of demand), which is difficult to replace in the short term. As of 2030, the transition is expected to accelerate to match the levels expected in Europe.

- Projections have been made for electricity generation assets in accordance with the expected useful life of the plants.

Associates and joint ventures

The recoverability of the Group's investments in associates or joint ventures is assessed by comparing their recoverable amount with their carrying amount (see Note 13). The recoverable amount of an investment in an associate or joint venture is assessed individually, unless the associate or joint venture does not generate cash inflows that are largely independent of those from the Group's other assets or cash-generating unit.

In view of the foregoing, changes in the key assumptions used in calculating the recoverable amount of the assets may have a significant effect on the Group's results.

3.7) Policies, judgements and estimates relating to hydrocarbon exploration and production activities

Expenses and investments

Repsol recognizes hydrocarbon exploration and production operations using accounting policies mostly based on the "successful efforts" method. Under this method, the various costs incurred are treated as follows for accounting purposes:

The costs of acquiring (including bonds, legal costs, etc.) new interests in areas with reserves, including those acquired in business combinations, are capitalized under *"Investments in areas with reserves"* in property, plant and equipment.

The costs of acquiring exploration permits and the geological and geophysical (G&G) costs incurred during the exploration phase are capitalized under "*Exploration permits*" in intangible assets. They are not amortized during the exploration and evaluation phase and they are tested for impairment at least once a year and, in any case, when there is an indication that they may have become impaired, in accordance with the indicators of IFRS 6 *Exploration for and evaluation of mineral resources*. Once the exploration and evaluation phase is over, if no economically viable reserves are found, the amounts capitalized are recognized as an expense in the income statement.

Exploratory drilling costs are capitalized under *"Investments in exploration"* in property, plant and equipment until it is determined whether reserves justifying their commercial development have been found. If no economically viable reserves are found, the capitalized drilling costs are recognized in the income statement. In the event that reserves are found, but remain under evaluation for their classification as proved, their recognition depends on the following:

a. If additional investments are required prior to the start of production, they continue to be capitalized as long as the following conditions are met: (i) the amount of reserves found justifies the completion of a productive well if the required investment is made, and; (ii) satisfactory progress has been made in the evaluation of reserves and the operational viability of the project. If any of these conditions fails to be met, they are treated as impaired, and are expensed in the income statement.

b. In all other cases, if there is no commitment to carry out significant activities to evaluate the reserves or develop the project within a reasonable period after well drilling has been completed, they are recognized as an expense in the income statement.

The costs incurred in exploratory drilling work that have yielded a commercially exploitable reserve are reclassified at their carrying amount to *"Investments in areas with reserves"* under property, plant and equipment.

Exploration costs other than G&G costs, excluding the costs of drilling exploration wells and exploration licenses, are recognized as an expense in the income statement when incurred.

Development expenditure incurred in lifting hydrocarbon, its processing or storing is capitalized under "Investments in areas with reserves" in property, plant and equipment.

Future field abandonment and decommissioning costs are capitalized at their present value when they are initially recognized under *"Investments in areas with reserves"* against the line item for decommissioning provisions (see Note 15).

The investments capitalized are depreciated according to the unit of production method and in accordance with the following criteria:

a. Investments in the acquisition of proved and probable reserves and investments in common facilities are depreciated on the basis of the production for the year as a proportion of those reserves.

b. The costs incurred in surveys for the development and extraction of hydrocarbon reserves are depreciated on the basis of the relationship between the production for the year and the total of the most probable proved reserves.

The changes in estimated reserves are considered on a prospective basis in calculating depreciation.

Estimate of crude oil and gas reserves and resources

The estimate of oil and gas reserves and resources is a key component of the Company's decision-making process. Oil and gas reserve volumes are used to calculate depreciation and amortization charges, and to assess the recoverability of the investments in assets of the Upstream segment (see Note 3.6). Changes in volumes of reserves and resources could have a significant impact on the Group's results.

The reserves are classified as follows:

a. Proved reserves: Proved reserves are those quantities of crude oil, natural gas and natural gas liquids that, with the information available to date, are estimated to be recoverable with reasonable certainty. There should be at least a 90% probability that the amounts recovered will equal or exceed the 1P estimate.

b. Probable reserves: Probable reserves are those additional reserves that, together with proved reserves, make up scenario 2P. There should be at least a 50% probability that the amounts recovered will equal or exceed the 2P estimate. This scenario reflects the best estimate of the reserves.

c. Developed reserves: Proved or probable quantities that are expected to be recovered from existing wells and facilities.

d. Undeveloped reserves: Proved or probable quantities that are expected to be recovered through future investments.

e. Contingent resources: Those quantities of oil and natural gas that are estimated, at a given date, to be potentially recoverable from accumulations known from the application of development projects, but which are not currently considered commercially recoverable due to one or more contingencies.

Independent engineering firms periodically audit registered volumes (at least 95% of the reserves are audited externally in a three-year cycle). For information on the Group's reserves, see "*Information on oil and gas exploration and production activities*".

To estimate oil and gas reserves and 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).

SEGMENT REPORTING

(4) Business information [6]

4.1) Definition of business segments

The segment reporting disclosed by the Group in this section is presented in accordance with the disclosure requirements of IFRS 8 *Operating segments*.

The definition of the Group´s business segments is based on the different activities performed by the Group, as well as on the organizational structure approved by the Board of Directors for business management. Using these segments as a reference point, Repsol's management team (Executive Committee) analyzes the main operating and financial aggregates in order to make decisions about resource allocation and to assess how the Company is performing. In 2020, Repsol revised the definitions of its operating and reporting segments to align them with its renewed strategic vision of business evolution and with the commitment to be CO_2-neutral by 2050. Specifically, the Company will boost its commercial businesses with a new multi-energy offering, a customer-focused strategy and the development of new low-emission electricity generation businesses. Therefore, a new business segment has been defined under the name "*Commercial and Renewables*". As a result, Repsol's reporting segments are now defined as follows:

- Exploration and Production (Upstream/E&P): activities for the exploration, development and production of crude oil and natural gas reserves.
- Industrial: (i) refining activities, (ii) petrochemicals, (iii) trading and transportation of crude oil and oil products, and (iv) sale, transportation and regasification of natural gas and liquefied natural gas (LNG).
- Commercial and Renewables: (i) low carbon power generation and renewable sources, (ii) sale of gas and power, (iii) mobility and sale of oil products, and (iv) liquefied petroleum gas (LPG).

On the other hand, "*Corporate and other*" includes (i) corporate overhead expenses and, specifically, those expenses related to managing the Group that have not been invoiced to the business divisions as a service, (ii) the financial result, and (iii) intersegment consolidation adjustments.

Financial reporting is presented under this new scheme, and financial reporting for the same period in 2019 has been restated to enable comparative analysis.

The Group has not aggregated any operating segments for presentation purposes.

4.2) Presentation model of the results by segments

In presenting the results and other financial aggregates of its operating segments, Repsol includes the results of its joint ventures[7], in accordance with the Group's interest, considering its operational and economic metrics in the same manner and with the same level of detail as for fully consolidated companies. 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.

In addition, the Group, considering its business reality and in order to make its disclosures more comparable with those in the sector, uses a measure of segment profit known as adjusted net income, which corresponds to net income from continuing operations at replacement cost (*"Current Cost of Supply"* or CCS), net of taxes and non-controlling interests, without including certain income and expenses that are presented separately (*"Special Items"*). The financial result is assigned to the adjusted net income of *Corporate and other*.

The Current Cost of Supply (CCS),commonly used in this industry to present the results of the Industrial and the Commercial and Renewables businesses that must work with huge inventories subject to continual price fluctuations, is not an accepted European accounting regulation, yet does enable the comparability with other sector companies as well as the monitoring of businesses independently of the impact of price variations on their inventories. Under income at CCS, the cost of volumes sold during the reporting period is calculated using the procurement and production costs incurred during that same period. Therefore, adjusted net income does not include the so-called inventory effect. This inventory effect is presented separately, net of tax and non-controlling interests, and corresponds to the difference between income at CCS and that obtained using

[6] Some of metrics presented in this Note are classified as Alternative Performance Measures (APMs) in accordance with ESMA guidelines (for further information, see Appendix I of the Consolidated Management Report or www.repsol.com.) All of the figures shown throughout this Note have been reconciled with the EU-IFRS financial statements in Appendix II.

[7] See Note 13 and Appendix I, where the Group's main joint ventures are identified.

the weighted average cost approach, which is the method used by the Group to determine its earnings in accordance with European accounting regulations.

Furthermore, adjusted net income does not include the so-called special items, i.e. certain material items whose separate presentation is considered appropriate in order to facilitate analysis of the ordinary business performance. This heading includes gains/losses on divestments, restructuring charges, asset impairment losses, and provisions for contingencies and charges and other relevant income/expenses that do not form part of the ordinary management of the businesses. These results are presented separately, net of the tax effect and non-controlling interests.

4.3) Financial information by business segment

The main financial information by business segment is included in this note and Appendix II. Additional information on the performance of these segments can be found in the Management Report attached to these financial statements, which is published together with these financial statements.

Results

	€ Million	
SEGMENTS	**2020**	**2019**
Exploration and Production	195	1,050
Industrial	297	913
Commercial and Renewables	485	541
Corporate and other	(377)	(462)
ADJUSTED NET INCOME	**600**	**2,042**
Inventory effect	(978)	(35)
Special items	(2,911)	(5,823)
NET INCOME	**(3,289)**	**(3,816)**

Other figures

	Operating income		Cash flow from operations		Free cash flow		Operating investment[1]		Capital employed	
€ Million	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Exploration and Production	351	1,969	1,736	3,140	1,231	765	948	2,429	12,608	17,205
Industrial	369	1,189	783	1,776	209	894	565	885	9,755	10,717
Commercial and Renewables	650	738	703	1,001	1	525	739	491	4,061	3,361
Corporate and other	(235)	(235)	(25)	(80)	538	(124)	56	56	893	2,009
TOTAL	**1,135**	**3,661**	**3,197**	**5,837**	**1,979**	**2,060**	**2,308**	**3,861**	**27,317**	**33,292**

(1) Includes investments accrued during the period.

The reconciliation of these figures with the EU-IFRS Financial Statements is included in Appendix II and Appendix I to the 2020 consolidated Management Report.

CAPITAL STRUCTURE, DEBT AND FINANCIAL RESOURCES

(5) Financial structure

Repsol has adopted a policy of financial prudence with the aim of maintaining its investment-grade credit rating. For more information, see section 6.3 of the 2020 Management Report

The determination of the target financial structure takes into account a leverage ratio that ensures the Group's financial strength, defined as the relationship between net debt[8] (including, where appropriate, lease liabilities) and capital employed[9]. Both metrics are calculated, for these purposes, in accordance with the Group's reporting model described in Note 4 and the reconciliation of these figures to those established in EU-IFRSs and used for the preparation of these consolidated Financial Statements can be found in the Management Report (www.repsol.com). The calculations of these ratios at December 31, 2020 and 2019, are as follows:

	With leases		Without leases	
€ Million	**2020**	**2019**	**2020**	**2019**
Equity	**20,539**	**25,209**	**20,723**	**25,336**
Net financial debt	**6,778**	**8,083**	**3,042**	**4,220**
Capital employed (1)	**27,317**	**33,292**	**23,765**	**29,556**
Leverage ratio	**24.8 %**	**24.3 %**	**12.8 %**	**14.3 %**

(1) Alternative Performance Measure. For further information, see Appendix I of the consolidated Management Report.

For further information, see section 6.3. of the Consolidated Management Report

(6) Equity

	€ Million	
	2020	**2019**
Shareholders' equity:	**21,185**	**24,335**
Share capital	1,568	1,566
Share premium and Reserves:	21,132	26,731
Share premium	4,078	6,278
Legal reserve (1)	312	312
Retained earnings and other reserves (2)	16,844	20,248
Dividends and remuneration on account	(102)	(107)
Treasury shares and own equity investments	(162)	(1,170)
Net income for the period attributable to the parent	(3,289)	(3,816)
Other equity instruments	1,936	1,024
Other cumulative comprehensive income	**(890)**	**593**
Equity instruments with changes through other comprehensive income	(3)	24
Hedging transactions	(62)	(109)
Translation differences	(825)	678
Non-controlling interests	**244**	**281**
TOTAL EQUITY	**20,539**	**25,209**

(1) Under the Spanish Companies Act, 10% of profit for each year of the parent company must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

(2) This heading includes the transfer from income for the year attributable to the parent for 2019. Includes a reserve for retired capital amounting to €239 million, which is equivalent to the nominal value of the shares retired in the capital reductions in 2020, 2019 and 2018 under the "*Repsol Flexible Dividend*" program (see Note 6.3).

6.1) Share capital

The subscribed share capital at December 31, 2020 and 2019 registered with the Companies Register was represented by 1,527,396,053 fully subscribed and paid up shares of €1 par value each, in book entry form, and all listed on the Spanish stock exchanges.

[8] The formula considers net and not gross debt to factor in the effect of financial investments.
[9] Corresponds to the sum of net financial debt and equity.

Following the bonus share issue concluded in January 2021 (see Note 6.3), the share capital of Repsol, S.A. is currently represented by 1,567,890,563 shares, each with a par value of €1. Under accounting regulations, because the above-mentioned capital increase was registered with the Companies Register before the Board of Directors authorized the financial statements for issue, this bonus share issue has been recognized in the Group's financial statements at December 31, 2020.[10]

According to the latest information available, Repsol's significant shareholders are:

Significant shareholders	% of voting rights attributed to shares: Direct	% of voting rights attributed to shares: Indirect	% of voting rights through financial instruments	% of total voting rights
Sacyr, S.A. (1)	—	7.826	—	7.826
JP Morgan Chase & Co (2)	—	0.585	6.27	6.855
BlackRock, Inc. (3)	—	4.762	0.236	4.998
Amundi Asset Management, S.A. (4)	—	4.500	—	4.500

(1) Sacyr, S.A. holds its interest through Sacyr Securities, S.A.U., Sacyr Investments, S.A.U. and Sacyr Investments II, S.A.U.
(2) JP Morgan Chase & Co holds its interest through a number of controlled entities. The information is based on the statement submitted by this company to the CNMV on March 19, 2020 based on the share capital amount of 1,566,046,878 shares.
(3) BlackRock, Inc. holds its interest through a number of controlled entities. The information is based on the statement submitted by this company to the CNMV on December 10, 2019 based on the share capital amount of 1,527,396,053 shares.
(4) Amundi Asset Management, S.A. holds its interest through a number of controlled entities.

At December 31, 2020 the following Group companies' shares were publicly listed:

Company	Traded	Listed	Stock exchanges (1)	Closing	Quarter average	Currency
Repsol, S.A.	1,527,396,053	100%	Spanish stock exchanges (Madrid, Barcelona, Bilbao, Valencia)	8.250	7.201	Euros
			OTCQX	10.010	8.585	Dollars
Refinería La Pampilla, S.A.	8,319,175,714	100%	Lima stock exchange	0.069	0.065	Peruvian soles

(1) Exchanges, markets or multilateral trading platforms on which the shares may be traded without having been specifically requested by the Group are not included.

6.2) Treasury shares and own equity investments

The main transactions undertaken by the Repsol Group involving treasury shares[11] were as follows:

€ Million	2020 No. of shares	2020 Amount	2020 % capital	2019 No. of shares	2019 Amount	2019 % capital
Opening balance	**80,768,905**	**1,170**	**5.16 %**	**24,157,554**	**350**	**1.55 %**
Market purchases (1)	96,294,772	850	6.14 %	176,384,235	2,561	11.26 %
Market sales (1)	(58,847,189)	(637)	3.75 %	(48,948,699)	(717)	3.13 %
Capital reduction (2)	(98,982,965)	(1,221)	(6.31)%	(71,394,987)	(1,024)	4.56 %
Repsol Flexible Dividend (3)	367,595	—	0.02 %	570,802	—	0.04 %
Balance at year end	**19,601,118**	**162**	**1.25 %**	**80,768,905**	**1,170**	**5.16 %**

(1) In 2020 "*Market purchases*" included purchases made under the Share Repurchase Program for their redemption (see next section), from September 4 and 23, through which 23,632,965 shares have been acquired. Also in 2020 and 2019 "*Market purchases*" and "*Market sales*" included the shares acquired and delivered within the framework of the Share Acquisition Plan and Share Purchase Plans for the beneficiaries of the multi-year variable remuneration programs (1,547,189 shares were delivered in 2020 in accordance with the provisions of each of the plans (see Note 27.4)) and other transactions within the framework of the discretionary treasury share transactions described in the Repsol Group's Internal Code of Conduct in the securities market area. Also includes book entries to recognize/derecognize treasury shares resulting from derivatives transactions.
(2) Includes 1,400,000 treasury shares acquired before March 25, 2020 (date of the call notice for the 2020 Annual General Meeting) and 73,950,000 treasury shares from the settlement of the derivatives on treasury shares also arranged prior to March 25, 2020.
(3) New shares received in the share capital increases carried out within the framework of the "*Repsol Flexible Dividend*" program corresponding to treasury shares.

At December 31, 2020, the balance of treasury shares did not include derivatives on treasury shares. At December 31, 2019, this included derivatives on a total notional amount of 70 million shares settled in 2020.

[10] At December 31, 2020, a capital reduction was recognized under "*Dividends and remuneration on account*" in the balance sheet, as well as a payment obligation under "*Trade and other payables*" to the shareholders who had accepted the irrevocable commitment to purchase the bonus share issue closed in January 2021, corresponding to the sale of rights to Repsol for an amount of €102 million.

[11] The shareholders at the Annual General Meeting held on May 11, 2018, authorized the Board of Directors for a period of 5 years to carry out the acquisition of Repsol shares, directly or through subsidiaries, up to a maximum number of shares such that the sum of those already held by Repsol and any of its subsidiaries does not exceed 10% of the Company's share capital, insofar as the price or value of the consideration delivered is not less than the par value of the shares or more than their quoted price on the stock exchange.

At December 31, 2020, there were also treasury share options, which are reported in Note 9.

6.3) Dividends and shareholder remuneration

In 2020 and 2019, the Company's shareholders were also remunerated by means of the *"Repsol Flexible Dividend"* program, the figures of which are included in the following chart:

	No. of bonus issue rights sold to Repsol	Purchase commitment price (€/right)	Disbursement in cash (€ Million)	New shares issued	Remuneration in shares (€ Million)
December 2018/January 2019	425,542,521	0.411	175	31,481,529	453
June/July 2019	441,300,729	0.505	223	39,913,458	564
December 2019/January 2020	252,017,771	0.424	107	38,647,825	541
June/July 2020 (1)	480,011,345	0.492	236	60,335,140	534

(1) To replace what would have been the final dividend for 2019.

In addition, to offset the dilutive effect of the capital increases through the bonus share issue formalized in 2020 within the framework of the "Repsol Flexible Dividend" program, in October 2020, a capital reduction was carried out through the redemption of 98,982,965 treasury shares (representing approximately 6.09% of share capital at the date of the aforementioned capital reduction) approved by the shareholders at the Annual General Meeting on May 8, 2020. The acquisition cost of the shares redeemed amounted to €1,221 million.

In addition, in January 2021, under the *"Repsol Flexible Dividend"* program, replacing what would have been the interim dividend from 2020, Repsol paid out €102 million in cash(€0.288 per right before withholdings) to those shareholders opting to sell their bonus share rights[12] back to the Company, and delivered 40,494,510 shares, worth €338 million, to those opting to take their dividend in the form of new shares from the Parent. At the date of authorization for issue of these Financial Statements, the Board of Directors agreed to implement a treasury share repurchase program for a maximum of 40,494,510 shares, representing approximately 2.58% of the current share capital, for the sole purpose of acquiring the shares that will be redeemed if the capital reduction proposed at the next Annual General Meeting is approved.

For further information, see sections 3 and 6.4 of the consolidated Management Report.

At the date of authorization for issue of these Financial Statements, the Company's Board of Directors agreed to propose at the next Annual General Meeting the distribution of cash dividends in the amount of €0.60 gross per share. It was put forward that of this amount €0.30 gross per share will be charged against 2020 profit and paid as from July 7, 2021 and €0.30[13] per share will be charged to unrestricted reserves, which will be distributed, if applicable, from January 1, 2022 and no later than January 31, 2022, on a date to be specified by the Board of Directors. These proposals replace the "*Repsol Flexible Dividend*" remuneration program that Repsol has been using in recent years.

6.4) Other equity instruments

– On June 2, 2020, Repsol International Finance, B.V. ("RIF"), a wholly-owned subsidiary of the Repsol Group, finalized the terms of the issuance of two series of perpetual subordinated bonds secured by Repsol, S.A. for a total amount of €1.500 million. The bonds were placed with qualified investors and are listed on the Luxembourg Stock Exchange. Their main characteristics are as follows:

	Series 1	Series 2
ISIN	XS2185997884	XS2186001314
Amount	€750 million	€750 million
First option to redeem(1)	03/11/2026	09/11/2028
Interest (payable annually)	3.750% until June 11, 2026, and on that date a 5-year swap rate applies plus an additional spread according to the terms and conditions of the bonds.	4.247% until December 11, 2028, and on that date a 5-year swap rate applies plus an additional spread according to the terms and conditions of the bonds.

(1) There are also options to redeem at the request of the issuer in certain cases specified in the terms and conditions.

– On March 25, 2015, Repsol International Finance, B.V. issued a perpetual subordinated bond secured by Repsol, S.A., with a value of €1,000 million, with no defined maturity date, and redeemable at the request of the issuer from year six or under certain circumstances stipulated in the bond terms and conditions.

[12] Repsol has waived its bonus issue rights acquired under the purchase commitment and, therefore, its rights to the corresponding new shares. The balance sheet at December 31, 2020 includes a reduction under "*Share premium*" and a payment obligation to those shareholders who accepted Repsol's binding purchase commitment.

[13] The €0.30 gross per share will be reduced by the gross amount per share that, prior to the agreed date, the Company may have agreed to distribute, and communicated to the market, as an interim dividend corresponding to the profits for the current year that have been obtained since the end of 2020.

This bond was placed with qualified investors and listed on the Luxembourg Stock Exchange, accruing a fixed annual coupon of 3.875% payable to the bondholders annually from the issuance date until March 25, 2021, and, thereafter, a fixed annual coupon equal to the 6-year swap rate applicable plus a spread.

On June 2, 2020 (together with the issue of perpetual subordinated bonds described above), Repsol, S.A. and RIF announced the launch of an repurchase offer in cash for this bond. The price of the repurchase offer was 101.2% of the nominal amount, plus the accrued coupon. Bondholders accepted the offer for a total nominal amount of €594 million, which resulted in RIF acquiring and subsequently redeeming 59.37% of the issue. In total, RIF paid those accepting the repurchase offer a total of €606 million in cash, and the repurchased and canceled bonds were removed from the balance sheet. With regard to the offer to repurchase the outstanding amount, announced on February 3, 2020, see Note 31.

In accordance with the terms and conditions of the issues, the issuer can defer the coupon payments without triggering an event of default. Coupons so deferred will be cumulative and must be paid in certain cases described in the related terms and conditions of the issues (the prospectuses on the issues are available on the Repsol website).

This bonds are recognized under "*Equity*" in the balance sheet, since it is considered that they do not meet the accounting conditions required to be treated as a financial liability. The finance expense, net of taxes, associated with the coupon on the subordinated bonds has been recognized under *"Retained earnings and other reserves"* amounting to €54 million (€29 million in 2019).

6.5) Non-controlling interests

The equity attributable to non-controlling interests at December 31, 2020 and 2019 relates to the following companies:

	€ Million	
	2020	**2019**
Petronor, S.A.	172	187
Refinería La Pampilla, S.A.	37	48
Repsol Comercial de Productos Petrolíferos, S.A.	35	33
Other companies	—	13
TOTAL	**244**	**281**

(7) Financial resources

7.1) Financial liabilities

The breakdown of financial liabilities included in the balance sheet headings can be found below:

	€ Million	
	2020	**2019**
Non-current financial liabilities:		
Non-current financial liabilities [(1)]	12,123	10,929
Non-current trade derivatives [(2)]	44	11
Current financial liabilities:		
Current financial liabilities [(1)]	3,880	6,538
Current trade derivatives [(3)]	208	350
TOTAL	**16,255**	**17,828**

(1) This change is due mainly to the bond issues described in the section below, which were partially offset by the cancellation of two bonds upon maturity
(2) Recognized under *"Other non-current liabilities"* on the balance sheet.
(3) Recognized under "*Trade and other payables*" on the balance sheet.

The breakdown of these financial liabilities at December 31, 2020 and 2019, is provided below:

	December 31, 2019 and 2018							
	At fair value through profit or loss		At amortized cost		Total		Fair value	
€ Million	2020	2019	2020	2019	2020	2019	2020	2019
Bonds and obligations		—	5,513	4,199	**5,513**	**4,199**	6,005	4,551
Loans [(1)]		—	3,250	2,946	**3,250**	**2,946**	3,250	2,946
Lease liabilities		—	2,505	2,709	**2,505**	**2,709**	n/a	n/a
Bank borrowings		—	667	917	**667**	**917**	675	934
Derivatives [(2)]	145	82	—	—	**145**	**82**	145	82
Other financial liabilities		—	87	88	**87**	**88**	87	88
Non-current	**145**	**82**	**12,022**	**10,859**	**12,167**	**10,941**		
Bonds and obligations		—	2,438	3,721	**2,438**	**3,721**	2,471	3,748
Loans		—	430	970	**430**	**970**	430	970
Lease liabilities		—	486	424	**486**	**424**	n/a	n/a
Bank borrowings		—	270	1,328	**270**	**1,328**	272	1,328
Derivatives [(2)]	452	397		—	**452**	**397**	452	397
Other financial liabilities		—	12	48	**12**	**47**	12	48
Current	**452**	**397**	**3,636**	**6,491**	**4,088**	**6,887**		
TOTAL [(2) (3)]	**597**	**479**	**15,658**	**17,350**	**16,255**	**17,828**		

(1) Includes mainly the loan granted by Repsol Sinopec Brasil, B.V. (see Note 7.3), the interest rate of which is renewed on an annual basis.
(2) In 2020 it includes non-current and current hedging derivatives amounting to €78 million and €4 million, respectively (€73 million and €24 million in 2019, respectively). For further information, see Note 9.
(3) In relation to liquidity risk, the distribution of funding by maturity at December 31, 2020 and 2019 is provided in Note 10.

The breakdown of average financial balances outstanding and cost by instrument is as follows:

	2020		2019	
€Million	Average volume	Average cost	Average volume	Average cost
Bonds and obligations	8,245	2.1 %	7,709	2.29 %
Other financial liabilities	3,955	2.5 %	2,521	2.46 %
Bank borrowings	1,895	1.76 %	3,684	3.28 %
TOTAL	**14,095**	**2.17 %**	**13,914**	**2.58 %**

7.2) Bonds

Key issues, repurchases and redemptions carried out in 2020[14]

Changes	Date of issue	Issuer	Nominal amount (€M)	Price	Fixed annual coupon %	Maturity
Issue	Apr-20	RIF	750	99.967%	2.000%	2025
Issue	Apr-20	RIF	750	99.896%	2.625%	2030
Cancellation	May-13	RIF	1,200	n.a.	2.625%	2020
Issue	Oct-20	RIF	850	100%	0.125%	2024
Cancellation	Dec-15	RIF	600	n.a.	2.125%	2020

Note: Issues made under the EMTN Program.

14 Key issues, repurchases and redemptions carried out in 2019: i) in February a bond issued by RIF (nominal amount of €1,000 million, with a fixed annual coupon of 4.875%) was canceled at maturity; ii) in July a bond issued by RIF (nominal amount of €100 million, with a fixed annual coupon of 0.125%) was canceled at maturity; and iii) in August RIF issued bonds secured by Repsol, S.A., for an amount of €750 million, with a fixed annual coupon of 0.25% and maturing in August 2027.

ISIN	Issuer	Date of issue	Currency	Nominal amount (millions)	Average rate %	Maturity	Listed [3]
US87425EAE32	Repsol Oil & Gas Canadá Inc.	Oct-97	Dollar	50	7.250%	Oct-27	—
US87425EAH62	Repsol Oil & Gas Canadá Inc.	May-05	Dollar	88	5.750%	May-35	—
US87425EAJ2	Repsol Oil & Gas Canadá Inc.	Jan-06	Dollar	102	5.850%	Feb-37	—
US87425EAK91	Repsol Oil & Gas Canada Inc.	Nov-06	Dollar	115	6.250%	Feb-38	—
US87425EAN31	Repsol Oil & Gas Canada Inc.	May-12	Dollar	57	5.500%	May-42	—
XS0975256685 [1]	Repsol International Finance, B.V.	Oct-13	Euro	1,000	3.625%	Oct-21	LuxSE
XS1148073205 [1]	Repsol International Finance, B.V.	Dec-14	Euro	500	2.250%	Dec-26	LuxSE
XS1207058733 [2]	Repsol International Finance, B.V.	Mar-15	Euro	1,000	4.500%	Mar-75	LuxSE
XS1352121724 [1]	Repsol International Finance, B.V.	Jan-16	Euro	100	5.375%	Jan-31	LuxSE
XS1613140489 [1]	Repsol International Finance, B.V.	May-17	Euro	500	0.500%	May-22	LuxSE
XS2035620710 [1]	Repsol International Finance, B.V.	Aug-19	Euro	750	0.250%	Aug-27	LuxSE
XS2156581394 [1]	Repsol International Finance, B.V.	Apr-20	Euro	750	2.000%	Dec-25	LuxSE
XS2156583259 [1]	Repsol International Finance, B.V.	Apr-20	Euro	750	2.625%	Apr-30	LuxSE
XS2241090088 [1]	Repsol International Finance, B.V.	Oct-20	Euro	850	0.125%	Oct-24	LuxSE

NOTE: Excludes perpetual subordinated bonds, which qualify as equity instruments (see Note 6), issued by RIF in March 2015 and June 2020 for an outstanding nominal amount at December 31 of €406 million and €1,500 million, respectively.
[1] Issues made under the EMTN Program.
[2] Subordinated bond (does not correspond to any open-ended or shelf program) with a coupon that will be revised on March 25, 2025 and March 25, 2045.
[3] LuxSE (Luxembourg Stock Exchange). Multilateral trading systems or other trading centers or non-official OTC markets are not considered.

RIF also runs a Euro Commercial Paper (ECP) Program, underwritten by Repsol, S.A., with a limit up to €2,000 million. Under this program, several issues and cancellations took place over the course of the period, with an outstanding nominal amount of €1,370 million at December 31, 2020 (€1,845 million at December 31, 2019).

Financial conditions and debt obligations

In general, the financial debt agreements include the early termination clauses customary in agreements of this nature.

The ordinary bonds issued by RIF and secured by Repsol, S.A., with an aggregate face value at year-end of €5,200 million, contain certain early termination clauses (including cross-acceleration or cross-default, applicable to the issuer and the guarantor) and negative pledge covenants in relation to future bond issues. In the event of failure to comply with any of these covenants, the trustee, at its sole discretion or at the behest of the holders of at least one-fifth of the series of bonds affected or on the basis of an extraordinary resolution, may declare the early maturity of the bonds. In addition, the holders of the bonds issued since 2013 may redeem these bonds if, as a result of a change in control of Repsol, Repsol's credit ratings are downgraded to below investment grade status.

Additionally, the subordinated bonds issue by RIF and secured by Repsol, S.A. in March 2015 and June 2020, for a total nominal value of €3,500 million (with an outstanding balance of €2,906 million at December 31), do not have early redemption covenants other than in the event of dissolution or liquidation.

At the date of authorization for issue of these consolidated Financial Statements, the Repsol Group was not in breach of any of its financial obligations or of any other obligation that could give rise to the early repayment of any of its financial commitments.

At December 31, 2020 and 2019 there are no amounts secured by the Group companies in issuances, repurchases or redemptions made by associates, joint arrangements or companies that are not part of the Group.

7.3) Loans

This line item includes loans granted to Group companies that are not eliminated in the consolidation process. At December 31, 2020 and 2019, there were loans amounting to €3,680 million and €3,915 million, respectively, most notably is the loan granted by Repsol Sinopec Brasil B.V. (see Note 13) to its shareholders in proportion to their respective shareholdings, which at December 31, 2020 and 2019 showed a balance for the Group of €2,768 million and €2,946 million, respectively.

7.4) Lease liabilities

The Group's main lease agreements are disclosed in Note 12. The liabilities recognized[15] for lease payables at December 31, 2020 amounted to €2,991 million[16] and €3,133 million[15], respectively.

7.5) Bonds and obligations

This heading reflects the loans granted to the Group companies, mainly in Spain and Peru, by several banks in order to fund their projects and operations. It also includes drawdowns under short-term credit facilities extended by banks.

7.6) Fair value

The valuation techniques used for the derivative financial instruments classified in levels 2 and 3 of the hierarchy are based, in accordance with accounting standards, on an income approach, which consists of discounting known or estimated future flows using discount curves constructed on the basis of reference market interest rates (in the case of derivatives, they are estimated using implied market forward curves), including adjustments for credit risk based on the life of the instruments. In the case of options, price-fixing models based on Black & Scholes formulas are used.

The main variables for the valuation of financial instruments vary depending on the type of instrument, but are mainly the following: exchange rates (spot and forward), interest rate curves, counterparty risk curves, equity prices and volatilities of all the aforementioned factors. In all cases, market data are obtained from recognized information agencies or correspond to quotations from official bodies.

Financial assets recognized at fair value are classified, in accordance with their calculation methodology, into three levels:
Level 1: Valuations based on a quoted price in an active market for an identical instrument and relate to derivatives held for trading and investments funds.
Level 2: Valuations based on a quoted price in an active market for similar financial assets or based on other valuation techniques that rely on observable market inputs.
Level 3: Valuations based on inputs that are not directly observable in the market.

The classification of the financial liabilities recognized at fair value, by fair value calculation method, is as follows:

€Million

Level 1 (1)		Level 2 (1)		Level 3		Total	
2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
113	**319**	**484**	**160**	**—**	**—**	**597**	**479**

(1) Includes level 1 and level 2 hedging derivatives amounting to €82 million and €97 million in 2020 and 2019, respectively.

(8) Financial assets

The breakdown of the current and non-current financial assets included under the headings of the balance sheet is as follows:

	€ Million	
	2020	**2019**
Non-current assets		
Non-current financial assets	916	1,125
Non-current trade derivatives (1)	47	9
Current assets		
Other current financial assets (2)	1,584	2,800
Current trade derivatives (3)	200	168
Cash and cash equivalents (4)	4,321	2,979
TOTAL	**7,068**	**7,081**

(1) Recognized under "*Other non-current assets*" on the balance sheet.
(2) The variation is due mainly to the cancellation of deposits during the period.
(3) Recognized under "*Trade and other receivables*" (see Note 15) in "*Other receivables*" on the balance sheet.
(4) See the statement of cash flows.

[15] The liabilities recognized do not include: (i) variable lease payments, which are not significant with respect to fixed payments; (ii) the options for expanding the current portfolio of contracts for 2021-2077, the estimated future undiscounted payments of which would amount to €189 million (this does not include the optional extensions of the contracts with Emera Brunswick Pipeline and Maritimes & North East Pipeline described in Note 12 due to the low probability of execution), the most significant being the five-year extension of the lease agreement for a vessel amounting to €105 million (with two further similar extensions); and (iii) the signed leases that have not yet begun, with fixed future payments amounting to €9 million in 2021 and €184 million in 2022 and subsequent years.

[16] 7% and 12% correspond to contracts that mature in more than 15 years in 2020 and 2019, respectively.

The breakdown, by type of asset, of financial assets included in the balance sheet can be found below:

	At fair value through profit or loss		At fair value through other comprehensive income		At amortized cost [5]		Total	
€ Million	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Equity instruments [1]	37	29	86	122	—	—	123	151
Derivatives [2]	93	9	1	—	—	—	94	9
Loans	—	—	—	—	697	759	697	759
Time deposits	—	—	—	—	5	150	5	150
Other financial assets	28	43	—	—	16	22	44	65
Non-current	**158**	**81**	**87**	**122**	**718**	**931**	**963**	**1,134**
Derivatives [2]	268	238	125	40		—	393	278
Loans	—	—	—	—	199	203	199	203
Time deposits	—	—	—	—	1,181	2,481	1,181	2,481
Cash and cash equivalents [3]	3	8	—	—	4,318	2,971	4,321	2,979
Other financial assets	—	—	—	—	11	6	11	6
Current	**271**	**246**	**125**	**40**	**5,709**	**5,661**	**6,105**	**5,947**
TOTAL [4]	**429**	**327**	**212**	**162**	**6,427**	**6,592**	**7,068**	**7,081**

(1) Includes non-controlling financial investments in certain companies over which the Group does not have management influence.
(2) Includes current cash flow hedging derivatives (through other comprehensive income) amounting to €125 million (€40 million in 2019) and non-current fair value derivatives amounting to €1 million.
(3) Corresponds mainly to liquid financial assets, deposits or liquid financial investments needed to meet payment obligations in the short term that can be converted into a known amount of cash within a period usually shorter than three months and that are subject to an insignificant risk of changes in value.
(4) Does not include "*Other non-current assets*" and "*Trade and other receivables*" in the balance sheet, which at December 31, 2020 amounted to €833 million for non-current and €3,856 million for current, while at December 31, 2019 these headings amounted to €1,306 million for non-current and €5,743 million for current, respectively.
(5) The items that do not accrue explicit interest are recognized at their nominal value whenever the effect of not discounting the related cash flows is not significant.

The average return on the financial assets was accrued at an average interest rate of 3.9% and 4.3% in 2020 and 2019, respectively.

8.1) Loans

In 2020 and 2019, current and non-current loans include those loans granted mainly to companies accounted for using the equity method, which are not eliminated in the consolidation process, amounting to €899 million and €962 million. These included financing to joint ventures in Venezuela and the credit facility signed by Petroquiriquire, S.A., Repsol and Petróleos de Venezuela, S.A. (PDVSA).

In October 2016 Petroquiriquire, S.A., Repsol and PDVSA signed a range of agreements to shore up the financial structure of Petroquiriquire and enable it to implement its Business Plan. The agreements involved (i) the provision by Repsol of a credit facility for up to $1,200 million, backed by a guarantee given by PDVSA, to be used to pay past dividends owed to Repsol and for Petroquiriquire's capital and operating expenditures; and (ii) a commitment given by PDVSA to pay for hydrocarbon production of the mixed-ownership company via transfer to Petroquiriquire, S.A. of payments arising from crude oil sale contracts to offtakers or through outright cash payments in an amount sufficient for the mixed-ownership company to meet its capital and operating expenditures not covered by the financing from Repsol, and to pay Repsol's dividends generated in each financial year and its debt service obligations with Repsol. The financing granted by Repsol and the commitments assumed by PDVSA are governed by the Laws of the State of New York, and any disputes that may arise shall be submitted to arbitration in Paris in accordance with the rules of the International Chamber of Commerce. Drawdowns under the credit facility are subject to compliance by Petroquiriquire, S.A. and PDVSA of certain conditions precedent, and the terms and conditions include the covenants, breach clauses and acceleration or early termination clauses that are customary in such transactions. Failure by PDVSA to comply with any of its obligations under the guarantee, if there is a default by Petroquiriquire, could enable PDVSA's creditors and bondholders to declare default and acceleration of the rest of its financial debt. In addition, the agreement includes other elements such as a mechanism for offsetting of reciprocal debts between Petroquiriquire, S.A. and PDVSA. At December 31, 2020, the cumulative drawdowns under this credit facility amounted to $840 million, with an outstanding balance at December 31, 2020 of €341 million (a gross balance of €663 million and a provision of €322 million) and €426 million at December 31, 2019.

In addition, Repsol granted a loan to Cardón IV, which matures annually and can be extended by the shareholders (Repsol and Eni), and has been considered part of the net investment of this company (see Note 13).

The maturity of these types of financial assets is as follows:

	€ Million	
	2020	**2019**
2021	—	139
2022	42	67
2023	52	77
2024	98	129
Subsequent years	505	347
TOTAL	**697**	**759**

8.2) Fair value

The classification of the financial assets recognized at fair value (FV), by fair value calculation method, is as follows:

€ Million	Level 1		Level 2		Level 3		Total	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
At FV through profit or loss	129	121	263	175	37	29	429	325
At FV through other comprehensive income	19	2	107	40	86	122	212	164
TOTAL	**148**	**123**	**370**	**215**	**123**	**151**	**641**	**489**

See Note 7.6 for classification and valuation techniques for financial instruments.

(9) Derivative and hedging transactions

9.1) Accounting hedges

In **cash flow hedges**, the effective portion of changes in fair value is recognized under "*Hedging transactions*" in equity and the gain or loss relating to the ineffective portion (absolute excess of the cumulative change in fair value of the hedging instrument over the hedged item) is recognized in the income statement. Accumulated amounts in equity are transferred to the income statement in periods in which the hedged items affect the income statement or, in the case of a hedge of a transaction that results in the recognition of a non-financial asset or liability, are included in the cost of the asset or liability when the asset or liability is recognized in the balance sheet. **Hedges of net investments** are accounted for in the same way as cash flow hedges, although changes in the valuation of these transactions are recognized in equity under "*Translation differences*" until the hedged foreign transaction is disposed of, at which time they are transferred to the income statement.

The Group contracts derivatives to hedge exposure to changes in cash flows, most notably in 2020 and 2019:

- A cash flow hedge in dollars in the form of interest rate swaps associated with the funding for the investment in the Canaport LNG project (Canada), for a notional amount of €349 million, maturing at long term, and with a negative fair value of €80 million at December 31, 2020. Therefore, the Group recognized a corresponding expense at an average fixed interest rate of 4.023% and the corresponding income at an interest rate of 3-month Libor. The fair value recognized in equity, yet to be recognized in profit or loss, amounts to €61 million after tax at December 31, 2020 (€-53 million after tax at December 31, 2019). The impact before tax recognized in 2020 in the income statement amounted to a loss of €13 million (€9 million in 2019).

- Cash flow hedges in the form of interest rate swaps arranged in 2014 for a notional amount of €1,500 million to hedge future bond issues in late 2014 and early 2015. Under these hedges, the Group pays a weighted average interest rate of 1.762% and receives 6-month Euribor. The fair value recognized in equity, yet to be recognized in profit or loss, amounts to €-52 million after tax at December 31, 2020 (€-63 million after tax at December 31, 2019). The impact before tax recognized in 2020 in the income statement amounted to €15 million (€14 million in 2019).

- Cash flow hedges to mitigate the risk of fluctuations in electricity purchase prices maturing mainly between 2021 and 2023. At December 31, 2020, its notional amount was €165 million and its positive fair value was €18 million.

- Cash flow hedges to mitigate the risk of fluctuations in gas sale prices maturing in 2021 y 2023. At December 31, 2020, its notional amount was €-364 million and its positive fair value was €50 million (€40 million at December 31, 2019).

In addition, the Group maintains instruments to hedge its exposure to fluctuations in foreign exchange rates relating to the ownership interest in the net assets of foreign operations. Of note are the financial instruments designated as hedges of net investments with respect to certain dollar assets in the Upstream segment, the notional amount of which at December 31 amounted to 3,000 million (€2,445 million). In 2019, the notional amount was $3,836 million (€3,416 million).

The instruments designated as accounting hedges at December 31, 2020 and 2019 are detailed below:

	Nominal amounts hedging instruments [3]		Carrying amount of the hedging instrument												Changes in FV of the hedging instrument [4]	
			Non-current assets		Current assets		Non-current liabilities		Current liabilities		Total FV					
€ Million	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**			**2020**	**2019**
Cash flows	**150**	**248**	**—**	**—**	**68**	**40**	**(78)**	**(72)**	**(4)**	**(24)**	**(14)**	**(56)**			**44**	**1**
Interest rate	349	289	—	—	—	—	(78)	(71)	(2)	(1)	(80)	(72)			(8)	(15)
Product price	(199)	(41)	—	—	68	40	—	(1)	(2)	(23)	66	16			52	16
Fair value	**(19)**	**(22)**	**1**	**2**	**1**	**—**	**—**	**(1)**	**—**	**—**	**2**	**1**			**—**	**1**
Product price	**(19)**	**(22)**	**1**	**2**	**1**	**—**	**—**	**(1)**	**—**	**—**	**2**	**1**			**—**	**1**
Net investment [1]	**(2,445)**	**(3,416)**	**—**	**—**	**56**	**—**	**—**	**(2,857)**	**—**	**(559)**	**56**	**(3,416)**			**82**	**(59)**
Exchange rate	(2,445)	(3,416)	—	—	56	—	—	(2,857)	—	(559)	56	(3,416)			82	(59)
TOTAL [2]	**(2,314)**	**(3,190)**	**1**	**2**	**125**	**40**	**(78)**	**(2,930)**	**(4)**	**(583)**	**44**	**(3,471)**			**126**	**(57)**

(1) At December 31, 2020, the hedging instrument corresponded to a basket of derivatives, where as at December 31, 2019, the hedging instrument corresponded to a financial liability.
(2) Fair value measurement methods are described in Note 7.6.
(3) Instruments in US dollars translated into euros at year-end rates. In the case of product price derivatives, they correspond to the physical units at the contract price.
(4) In 2020 and 2019, the changes in fair value of the hedged items coincide with those of the hedging instruments since the hedges have been 100% effective.

The changes relating to hedging instruments at December 31, 2020 and 2019 recognized under "*Other cumulative comprehensive income*" in the balance sheet are detailed below:

	2020		2019	
€ Million	**Cash flow hedges**	**Hedges of net investments** [1]	**Cash flow hedges**	**Hedges of net investments**
Opening balance at December 31	**(109)**	**(84)**	**(106)**	**(41)**
Gains/(Losses) for measurement allocated to other comprehensive income	78	82	(55)	(59)
Amounts transferred to the income statement	(20)	—	56	—
Translation differences	3	—	(1)	—
Share of investments in joint ventures and associates	1	—	—	—
Effective tax	(15)	(21)	(3)	16
Closing balance at December 31	**(62)**	**(23)**	**(109)**	**(84)**

(1) The cumulative amount of translation differences from discontinued hedges amounts to €-139 million.

The cumulative balances by type of hedging instrument at December 31, 2020 and 2019 are:

	Cash flow hedging reserve and translation reserves	
€ Million	**2020**	**2019**
Cash flow hedges	**(62)**	**(109)**
- Interest rate	(139)	(163)
- Product price	56	11
- Tax effect	21	43
Hedges of net investments	**(23)**	**(84)**
- Exchange rate	(57)	(139)
- Tax effect	34	55

9.2) Other derivative transactions

Furthermore, Repsol has arranged a series of derivatives to manage its exposure to foreign exchange rate and price risk of crude oil and oil products (including CO_2) that are not recognized as accounting hedges. These derivatives include currency forward contracts that mature in less than a year, as part of the global strategy to manage the exposure to exchange rate risk. Additionally, the Group has entered into futures and swap contracts to hedge the product risk that derives from future physical transactions such as the sale and/or purchase of crude oil and other oil products.

The breakdown of these derivative instruments is as follows:

€ Million	Non-current assets 2020	Non-current assets 2019	Current assets 2020	Current assets 2019	Non-current liabilities 2020	Non-current liabilities 2019	Current liabilities 2020	Current liabilities 2019	Total fair value 2020	Total fair value 2019
Exchange rate	—	—	42	110	—	—	(242)	(46)	(200)	64
Product price	46	7	132	128	(44)	(9)	(206)	(327)	(72)	(201)
Share options	47	—	94	—	(23)	—	—	—	118	—
TOTAL [1]	**93**	**7**	**268**	**238**	**(67)**	**(9)**	**(448)**	**(373)**	**(154)**	**(137)**

[1] In 2020, this heading includes derivatives whose measurement in respect of interest rates amounts to €19 million (2019: €24 million).

The breakdown of these derivatives at December 31, 2020 and 2019 is provided below:

€ Million	Maturity fair values 2020						2019					
	2021	**2022**	**2023**	**2024**	**Sub. years**	**Total**	**2020**	**2021**	**2022**	**2023**	**Sub. years**	**Total**
Exchange rate	**(200)**	—	—	—	—	**(200)**	**64**	—	—	—	—	**64**
Product price	**(51)**	**(7)**	**(13)**	**(1)**	—	**(72)**	**(198)**	**(1)**	**4**	**(6)**	—	**(201)**
Purchase futures	318	49	3	(1)	—	369	17	—	(10)	—	—	7
Sale futures [1]	(322)	(57)	(14)	—	—	(393)	(230)	—	13	(6)	—	(223)
Options	1	1	—	—	—	2	1	—	—	—	—	1
Swaps	(19)	4	(1)	—	—	(16)	(32)	**(1)**	**1**	—	—	(32)
Others [2]	(29)	(4)	(1)	—	—	(34)	46	—	—	—	—	46
Share options	**94**	—	**24**	—	—	**118**	—	—	—	—	—	—
TOTAL	**(157)**	**(7)**	**11**	**(1)**	—	**(154)**	**(134)**	**(1)**	**4**	**(6)**	—	**(137)**

[1] The following is a breakdown of the physical units and the fair value of the product price derivatives associated with sales contracts:

Sale futures	**2020** Physical units	**2020** FV (€Million)	**2019** Physical units	**2019** FV (€Million)
EUAs CO_2 (Thousand tons)	3,524	(27)	24,749	(179)
Crude oil (Thousand barrels)	30,137	(262)	17,924	(51)
Gas (TBTU)	196	7	290	7
Products	n.a	(111)	n.a	—
Total		**(393)**		**(223)**

In 2020 and 2019, the negative impact of the valuation of product derivatives and CO_2 prices on "*Operating income*" was €41 million and €281 million, respectively.

In 2020 and 2019, short-term forward contracts and currency swaps were arranged that generated a financial loss of €260 million and a gain of €157 million, respectively, which are recognized under "*Financial result - Change in fair value of financial instruments*".

At December 31, 2020, Repsol had contracted options on its treasury shares for a total volume of 115 million shares (90 million call options and 25 million put options). The main characteristics of these options, which are measured at fair value through profit or loss under "*Changes in fair value of financial instruments*" in the income statement, are as follows:

- Call options acquired on a volume of 40 million shares, at an average exercise price of €5.9 per share and maturing in July 2021. Repsol may decide to settle the call options either through the physical delivery of shares or on a net basis. The impact on the income statement for the year amounted to €72 million.
- Two options: (i) a call option purchased on a volume of 50 million shares at an exercise price of €8.26 per share, and (ii) a put option sold on a volume of 25 million shares at an exercise price of €5.78 per share (jointly known as a "*Reverse collar*"). The maturity of the instrument begins on January 16, 2023 and ends on February 17, 2023 at a rate of 2 million shares per day for the call leg and 1 million shares per day for the put leg. Repsol may decide to settle the call leg through the physical delivery of shares or on a net basis, and the put leg is only settled on a net basis. The impact on the income statement for the year amounted to €-2 million.

(10) Financial risks

Group business is exposed to different kinds of financial risk, including: market risk, liquidity risk and credit risk. Repsol has a risk management structure and systems that enable it to identify, measure and mitigate the risks to which the Group is exposed.

10.1) Market risk

Market risk is the potential loss faced due to adverse changes in market variables. The Group is exposed to several types of market risks: exchange rate risk, interest rate risk and commodities risk.

The Company monitors exposure to market risk through ongoing sensitivity analysis. This strategy is complemented with other risk management measures when required by the nature of the risk exposure. Accordingly, the risk that affects the result is subject to maximum risk levels, measured in terms of Value at Risk (VaR), defined by the Executive Committee in line with the different authorization levels and supervised on a daily basis by an area that is separate from the area responsible for management.

A sensitivity analysis of the main risks inherent in financial instruments is included for each of the market risks described below, showing how profit and equity could be affected (under "*Other comprehensive income*") as a result of the financial instruments held by the Group at the reporting date.

a) Exchange rate risk

The Group's profit and equity are exposed to fluctuations in the exchange rates of the currencies in which it transacts, with the US dollar generating the greatest level of exposure. The US dollar-euro exchange rate at December 31, 2020 and 2019 was as follows:

	December 31, 2020		December 31, 2019	
	Closing rate	Accumulated average rate	Closing rate	Accumulated average rate
US dollar	1.23	1.14	1.12	1.12

Exposure to exchange rate risk can be traced to financial assets and investments, liabilities and monetary flows in currencies other than the functional currency of Repsol, S.A. and to the translation to euros of the financial statements of Group companies with a different functional currency.

Repsol constantly monitors the Group's exposure to fluctuations in the exchange rate of currencies in which it undertakes significant operations and actively manages exchange rate risk positions that affect the financial result of the income statement. To this end, it contracts derivative financial instruments that seek to provide a consolidated economic hedge of currencies for which there is a liquid market.

Furthermore, net investment and cash flow hedges are arranged in order to ensure the carrying amount of net investments abroad, the economic value of the flows corresponding to investment and divestment operations, corporate operations or project execution or one-off contracts for which the monetary flows are distributed over a period of time.

For exchange rate derivatives, see Note 9.

The sensitivity of net income and equity to exchange rate risk, as a result of the effect on the financial instruments held by the Group at December 31, due to the appreciation or depreciation of the euro against the dollar, is illustrated below:

	Appreciation (+) / depreciation (-) in exchange rate	€Million	
		2020	2019
Effect on net income after tax	5%	2	6
	(5)%	(2)	(6)
Effect on equity	5%	183	89
	(5)%	(166)	(81)

b) Interest rate risk

Fluctuations in interest rates can affect interest income and expense from financial assets and liabilities with variable interest rates; which may also impact the fair value of financial assets and liabilities with a fixed interest rate. Furthermore, these fluctuations can affect the carrying amount of assets and liabilities due to variations in the discount rates of applicable cash flows, the return on investments and the future cost of raising financial resources.

Repsol's debt is linked to the most competitive financial instruments at any given time, both in terms of the capital market and banking market, and based on those market conditions considered to be ideal for each of them. Furthermore, Repsol contracts interest rate derivatives to reduce the risk of variations in financial burdens and in the fair value of its debt, and to mitigate the interest rate risk on future fixed-rate debt issues, which are designated in general as hedging instruments (see Note 9).

At December 31, 2020 and 2019, the net debt balance at fixed rates amounted to €7,359 million and €6,423 million, respectively. This is equivalent to 116% and 84%, respectively, of total net debt including interest rate derivative financial instruments.

The sensitivity of net income and equity, as a result of the effect of fluctuations in interest rates on the financial instruments held by the Group at December 31, is shown in the following table:

	Increase (+) / decrease (-) in interest rates (basis points)	€Million	
		2020	2019
Effect on net income after tax	50 b.p.	3	5
	-50 b.p.	(3)	(5)
Effect on equity	50 b.p.	13	11
	-50 b.p.	(14)	(12)

In connection with the process of transition to new benchmark interest rates currently under way in several jurisdictions worldwide, the Group reviewed the rates of the contracts entered into in accordance with the reform timetable. The main contracts identified to date, under which interbank interest rates are a key benchmark, are of a financial nature: mainly loans and credit facilities.

As to the hedging relations pegged to LIBOR/EURIBOR according to the *Interest Rate Benchmark Reform - Amendments to IFRS 9 and IAS 39*, which we applied early in 2019, we believe that the cash flows of the hedging instrument and the hedged item will not be altered as a result of the reform.

In addition, the Group is monitoring regulatory and market developments for an orderly transition. In this regard, the Group began to include a reference to risk-free rates in the new contracts, and specific clauses are included to govern permanent cessation events. In relation to existing contracts that will continue to be in force after the reform, the mechanisms for determining substitute benchmarks and market alternatives (i.e. ISDA 2020 IBOR, Fallbacks Protocol) are being reviewed to resolve permanent cessation events.

c) <u>Commodity price risk</u>

The Group's results are exposed mainly to volatility in the prices of oil, derivative products, natural gas and electricity.

In some cases, Repsol arranges derivatives to mitigate its exposure to commodity price risk. These derivatives provide an economic hedge of the Group's results, although they are not always designated as hedging instruments for accounting purposes (see Note 9).

At December 31, 2020 an increase or decrease of 10% in commodity prices would have approximately led to the following changes in net income and in equity as a result of changes in value in the financial derivatives.

	Increase (+) / decrease (-) in commodity prices	€Million	
		2020	2019
Effect on net income after tax	+10%	(40)	2
	(10)%	40	(2)
Effect on equity	+10%	9	13
	(10)%	(9)	(13)

NOTE: In a highly volatile environment, such as that of the second quarter of 2020 as a result of COVID-19, a +/-50% change in commodity prices would have had an estimated impact of €-198 million and €198 million on net income, respectively, and €-47 million and €47 million on equity, respectively.

The sensitivity of the derivatives to increases in commodity prices partially offsets the adverse exposure of Repsol's physical operations -in inventories- inherent to its activity.

10.2) Liquidity risk[17]

The liquidity policy applied by Repsol is structured around guaranteeing the availability of the necessary funds to ensure compliance with the obligations assumed and the evolution of the Group's business plans, while maintaining the ideal amount of liquid resources and seeking the highest level of efficiency in the management of financial resources at all times. In line with this prudent financial policy, at December 31, 2020 Repsol had cash resources and other liquid financial instruments[18] and undrawn credit facilities that are sufficient to cover current debt maturities 2.8 times.

Repsol controls and monitors its financial needs ranging from the production of daily cash flow forecasts to the financial planning involved in the annual budgets and its strategic plan; it maintains diversified and stable sources of financing that facilitate efficient access to financial markets, all within the framework of a financing structure that is compatible with the corresponding credit rating in the investment grade category.

The Group had undrawn credit facilities amounting to €3,425 million and €1,808 million at December 31, 2020 and 2019, respectively. At the end of the period, liquidity stood at €8,926 million (including undrawn committed credit facilities).

The following table contain an analysis on the maturities of the financial liabilities existing at December 31, 2020 and 2019:

	Maturities (€ Million)							Maturities (€ Million)						
	2020							**2019**						
	2020	2021	2022	2023	2024	Seq.	Total	2019	2020	2021	2022	2023	Seq.	Total
Bonds and obligations (1)	2,525	622	120	970	868	6,045	11,149	3,815	1,123	587	86	86	5,333	11,030
Loans and other financial debts (1)	872	639	110	2,914	193	331	5,059	2,383	198	246	80	3,041	585	6,533
Lease payments	524	446	416	365	333	2,039	4,123	549	485	454	415	390	2,448	4,742
Derivatives (2)	(64)	—	24	—	—	—	(40)	(39)	—	—	—	—	—	(39)
Suppliers	2,471	—	—	—	—	—	2,471	3,638	—	—	—	—	—	3,638
Other payables	3,356	—	—	—	—	—	3,356	3,854	—	—	—	—	—	3,854

NOTE: The amounts shown are the contractual undiscounted cash flows and, therefore, they differ from the amounts included on the balance sheet.

(1) Corresponds to future maturities of amounts recognized under “*Non-current financial liabilities*” and “*Current financial liabilities*”, including interest or future dividends related to these financial liabilities. It does not include financial derivatives.
(2) The contractual maturities of the derivatives included under this heading are outlined in Note 9. It does not include trade derivatives recognized under "*Other non-current liabilities*" and "*Other payables*" on the balance sheet.

[17] For information on the definitions of the liquidity and solvency ratios and their reconciliations to the Alternative Performance Measures, see Appendix I of the consolidated Management Report.
[18] Includes immediately available time deposits recognized under "*Time deposits*" amounting to €1,181million.

10.3) Credit risk[19]

EXPECTED LOSS:

The Group calculates the expected credit loss on its **trade receivables** using its own risk assessment models for its customers, taking into account the probability of default, the balance at risk and the estimated loss given default. The general criteria for considering objective evidence of impairment (in the absence of other evidence of default such as bankruptcy, etc.) is that it has exceeded 180 days in default.

The remaining **financial instruments**, mainly certain loans and financial guarantees granted to joint ventures, are individually monitored.

The expected loss on financial instruments is calculated based on the stage of the debtor's credit risk in accordance with the following formula:

Expected credit loss = Probability of default[(1)] x Exposure[(2)] x LDG[(3)]

Phase 1: At the time of initial recognition, expected loss is calculated taking into account the probability of default in the first 12 months (for trade receivables, the calculation is spread over the life of the instrument).

Phase 2: When there is a significant increase in risk, expected loss is calculated for the entire life of the instrument.

Phase 3: For instruments that are already impaired, expected loss is calculated for the entire life of the instrument taking into account the interest accrued.

(1) Calculated individually for each debtor except for individuals, for whom an average default rate is used. The models take into account quantitative information (economic-financial variables of the customer, payment behavior, etc.), qualitative information (sector of activity, macroeconomic data on the country, etc, and market sensitivity variables (e.g. price performance). An internal rating and an associated probability of default are obtained for each debtor, according to the models.

(2) Calculated taking into account the amount of the outstanding receivable and a potential future exposure according to the available risk limit.

(3) Percentage of unrecovered exposure in the event of default, based on the historical behavior and taking into account whether or not such exposure is guaranteed.

Credit risk is defined as the possibility of a third party not complying with their payment obligations, thus creating credit losses. The Group specifically evaluates all available information consistent with internal credit risk management for each financial instrument, including those of a commercial nature.

The Company updated its customer management model using economic forecasts for the main countries where it operates, without this having a significant impact on the Group's financial statements from a change in the payment behavior of debtors.

For credit risk arising from financial instruments relating to operations in Venezuela, see Note 20.3.

The Group's exposure to credit risk, according to the type of financial instrument together with the impairment recognized at December 31, 2020 for each of them, is broken down as follows:

	Gross balance	Average impairment	Impairment	Net balance 12/31/2019	Net balance 12/31/2018
Current financial assets and Cash (1)	5,905	—	—	5,905	5,779
Non-current financial assets (2)	3,298	64 %	(2,127) (3)	1,171	1,496
Other current and non-current assets (4)	1,765	38 %	(669) (4)	1,096	1,510
Trade and other receivables (5)	4,266	5 %	(210)	4,056	5,911

(1) Impairments of less than one million euros due to the high credit quality of the counterparties (banks and financial institutions with ratings equal to or greater than BB). The Group's cash surplus is used to acquire safe and liquid short-term instruments, including short-term bank deposits and other instruments with similar low-risk characteristics. The portfolio of these investments is diversified to avoid a concentration of risk in any one instrument or counterparty.
(2) This heading is presented in the balance sheet net of the provision for the equity deficit of Cardón IV (see Note 15).
(3) Includes assets impaired in Phase III (see following section, "*Expected loss*"). The impairment losses at December 31, 2020 relate mainly to ongoing litigation and bankruptcy proceedings (€1,600 million) and to loans and credit facilities granted to joint ventures in Venezuela (€482 million).
(4) Includes mainly assets impaired in Phase III corresponding primarily to accounts receivable related to activity in Venezuela (see Notes 19.5 and 20.3).
(5) See the following section "*Trade and other receivables*".

[19] The credit risk information included in this section does not include the credit risk of investees or joint ventures, the impact of which is recognized under "*Net income from investments accounted for using the equity method*". Expected credit losses are an estimate, weighted by probability, of credit losses (i.e. the present value of all cash deficits) over the expected life of the financial instrument. A cash deficit is defined as the difference between the cash flows due to the entity under the contract and the cash flows it expects to receive. Because expected credit losses take into account both the amount and timing of payments, there is a credit loss if the entity expects to collect in full, but later than contractually agreed.

Trade and other receivables

The trade receivables are shown on the balance sheet at December 31, 2020 and 2019, net of provisions for impairment, for an amount of €4,056 million and €5,911 million, respectively. The following table shows the age of the trade receivables net of provisions for impairment (including expected loss):

	€ Million			
	2020			**2019**
Maturities	Debt	Impairment	Balance	Balance
Unmatured debt	3,970	81	3,889	5,536
Matured debt 0-30 days	103	3	100	235
Matured debt 31-180 days	28	3	25	79
Matured debt over 180 days	141	99	42	61
TOTAL	**4,242**	**186**	**4,056**	**5,911**

The Group's credit risk on trade receivables is not significantly concentrated as it is spread out among a large number of customers and other counterparties. The maximum net exposure to a third party after its trade receivables have become impaired, including official bodies and public sector entities, does not exceed 1.7%.

As a general rule, the Group establishes a bank guarantee issued by financial institutions as the most suitable instrument of protection from credit risk. In some cases, the Group has contracted credit insurance policies whereby this partially transfers to third parties the credit risk related to the business activity of some of their customers in part of their business.

As part of its business activities, the Group has guarantees extended by third parties in an amount of €3,264 million at December 31, 2020 and €3,206 million at December 31, 2019. Of this balance, the trade receivables secured by guarantees stood at €821 million at December 31, 2020 and €908 million at December 31, 2019.

NON-CURRENT ASSETS AND LIABILITIES

(11) Intangible assets

The breakdown of the intangible assets and of the related accumulated amortization and impairment losses at December 31, 2020 and 2019 is as follows:

€ Million									
		Upstream			Industrial, and Commercial and			Corporate	
GROSS COST	Goodwill	Exploration permits	Computer software	Other assets	Service station association rights and other rights[4]	Computer software	Concessions and others [6]	Computer software and others	**Total**
Balance at January 1, 2019	**3,203**	**2,420**	**198**	**83**	**244**	**365**	**446**	**333**	**7,292**
Investments [1]	17	217	15	5	59	86	213	24	636
Disposals or reductions	—	(67)	—	—	(9)	(2)	(14)	(29)	(121)
Translation differences	53	42	4	2	2	1	—	—	104
Change in scope of consolidation	(7)	—	—	—	—	—	25	—	18
Reclassifications and other movements	(69)	73	1	1	10	11	90	—	117
Balance at December 31, 2019	**3,197**	**2,685**	**218**	**91**	**306**	**461**	**760**	**328**	**8,046**
Investments [1]	—	82	14	8	30	57	87	31	309
Disposals or reductions	—	(564)	(2)	(1)	(22)	(9)	—	(11)	(609)
Translation differences	(192)	(193)	(19)	(7)	(9)	(7)	(2)	—	(429)
Change in scope of consolidation	4	(3)	—	—	—	2	38	—	41
Reclassifications and other movements[5]	3	16	4	(2)	10	41	(384)	4	(308)
Balance at December 31, 2020	**3,012**	**2,023**	**215**	**89**	**315**	**545**	**499**	**352**	**7,050**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES									
Balance at January 1, 2019	**(192)**	**(1,308)**	**(121)**	**(73)**	**(168)**	**(189)**	**(169)**	**(261)**	**(2,481)**
Amortization	—	(48)	(20)	—	(25)	(37)	(23)	(25)	(178)
Disposals or reductions	—	67	—	—	9	2	12	30	120
(Provision for)/Reversal of provisions for impairment [2]	(868)	(296)	—	—	—	—	(9)	(3)	(1,176)
Translation differences	—	(22)	(2)	(1)	(1)	(1)	—	—	(27)
Changes in scope of consolidation	—	—	—	—	—	—	—	—	—
Reclassifications and other movements	34	121	—	1	9	—	1	—	166
Balance at December 31, 2019[3]	**(1,026)**	**(1,486)**	**(143)**	**(73)**	**(176)**	**(225)**	**(188)**	**(259)**	**(3,576)**
Amortization	—	(56)	(21)	—	(26)	(48)	(30)	(27)	(208)
Disposals or reductions	—	564	2	—	13	9	—	10	598
(Provision for)/Reversal of provisions for impairment [2]	(667)	(101)	—	—	—	—	(1)	—	(769)
Translation differences	97	89	13	7	2	3	1	—	212
Changes in scope of consolidation	—	2	—	—	—	(1)	—	—	1
Reclassifications and other movements	6	32	2	(8)	5	—	15	(7)	45
Balance at December 31, 2020	**(1,590)**	**(956)**	**(147)**	**(74)**	**(182)**	**(262)**	**(203)**	**(283)**	**(3,697)**
Net balance at December 31, 2019	**2,171**	**1,199**	**75**	**18**	**130**	**236**	**572**	**69**	**4,470**
Net balance at December 31, 2020	**1,422**	**1,067**	**68**	**15**	**133**	**283**	**296**	**69**	**3,353**

(1) Investments in 2020 and 2019 come from the direct acquisition of assets. Investments in "*Exploration permits*" mainly refer to the acquisition of acreage and geological and geophysical costs in the amount of €82 million and €199 million in 2020 and 2019, respectively.
(2) See Note 20.
(3) At December 31, 2020 and 2019, provisions for impairment losses amounted to €1,916 million and €1,673 million, respectively, corresponding mainly to the impairment losses on "Goodwill" (€1,590 million and €1,026 million in 2020 and 2019, respectively).
(4) Includes the service stations association rights. At December 31, 2020 the capitalized costs of obtaining contracts amounted to €120 million.
(5) In 2020, "*Reclassifications and other movements*" includes mainly the reclassification of CO_2 emission allowances to inventories (see Note 16).
(6) Includes the customer portfolio of the Electricity and Gas sale business.

Repsol has taken out insurance to cover potential security incidents that could occur in its IT system, including computer software, due to malicious acts (cyber-attacks) or accidents that cause the system to be unavailable.

Goodwill

The breakdown of goodwill, by segment and company, at December 31, 2020 and 2019 is as follows:

	€ Million	
Goodwill	**2020**	**2019**
Upstream:		
Repsol Oil & Gas Canada, Inc.	958	1,640
Other companies	25	106
Commercial and Renewables [1]:		
Repsol Portuguesa, S.A.	154	154
Repsol Gas Portugal, S.A.	106	106
Repsol Comercial de Productos Petrolíferos, S.A.	104	103
Repsol Electricidad y Gas, S.A.	49	49
Other companies[1]	26	13
TOTAL [2]	**1,422**	**2,171**

(1) Corresponds to a total of 8 CGUs, with the most significant individual amount not exceeding to 11% of the Group's total. Of the total, €438 million and €424 million in 2020 and 2019, respectively, correspond to companies whose main activities are carried on in Europe. For more information on the calculation of the recoverable amount, see Note 20.

(2) Includes €1,590 million and €1,026 million of accumulated impairment losses in 2020 and 2019, respectively.

The goodwill that arose from the acquisition of ROGCI, which was allocated to the Upstream segment for the purpose of assessing its recoverability, is justified, among other reasons, by the synergies arising from the acquisition as a result of savings in corporate functions and support functions that benefit the segment as a whole, and which could not be allocated to specific assets on a non-arbitrary basis.

Once most of these synergies had been captured and after the decrease in the recoverable amount of the assets in the Upstream segment (see Note 20.2), an impairment loss of €-594 million was recognized on this goodwill. Unfavorable changes in the key assumptions that determine the recoverable amount of segment assets, mainly declining oil and gas prices and in production, as well as increases in the discount rate, would result in additional impairment losses on the goodwill of ROGCI. Note 20.2 includes additional information on the effect of changes in the key assumptions made on the value of the assets and the goodwill of the segment.

(12) Property, plant and equipment

The breakdown of *"Property, plant and equipment"* and of the related accumulated depreciation and impairment losses at December 31, 2020 and 2019 is as follows:

	€ Million								
	Upstream			Industrial, and Commercial and Renewables				Corporate	
GROSS COST	Investments in areas with reserves	Investments in exploration	Other property, plant and equipment	Land, buildings and other constructions	Machinery and plant	Other property, plant and equipment	Property, plant and equipment in progress (5)	Land, construction and others	**Total**
Balance at January 1, 2019	**24,827**	**3,620**	**838**	**2,424**	**21,080**	**1,453**	**838**	**1,079**	**56,159**
Investments	1,601	184	160	30	149	169	848	19	3,160
Disposals or reductions	(103)	(151)	(16)	(25)	(122)	(19)	(3)	(33)	(472)
Translation differences	479	67	17	11	62	8	3	—	647
Change in scope of consolidation	—	(3)	—	9	7	—	9	—	22
Reclassifications and other movements (1)	(1,541)	(582)	(97)	66	695	68	(794)	—	(2,185)
Balance at December 31, 2019	**25,263**	**3,135**	**902**	**2,515**	**21,871**	**1,679**	**901**	**1,065**	**57,331**
Investments	467	121	146	—	7	6	986	17	1,750
Disposals or reductions	(8)	(643)	(39)	(14)	(141)	(32)	(4)	(27)	(908)
Translation differences	(2,126)	(181)	(82)	(55)	(274)	(54)	(5)	—	(2,777)
Change in scope of consolidation	—	(390)	—	—	—	—	—	—	(390)
Reclassifications and other movements (1)	49	25	9	76	942	78	(858)	2	323
Balance at December 31, 2020	**23,645**	**2,067**	**936**	**2,522**	**22,405**	**1,677**	**1,020**	**1,057**	**55,329**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES (3)									
Balance at January 1, 2019	**(10,943)**	**(2,578)**	**(315)**	**(1,239)**	**(13,127)**	**(590)**	**—**	**(497)**	**(29,289)**
Depreciation (2)	(1,161)	(54)	(60)	(58)	(793)	(89)	—	(41)	(2,256)
Disposals or reductions	2	151	6	18	109	16	—	33	335
(Provision for)/Reversal of provisions for impairment (3)	(3,887)	(392)	(9)	(3)	284	(9)	—	—	(4,016)
Translation differences	(196)	(45)	(7)	(8)	(46)	4	—	—	(298)
Changes in scope of consolidation	—	3	—	—	—	—	—	—	3
Reclassifications and other movements (1)	1,220	409	3	(22)	(270)	(5)	—	—	1,335
Balance at December 31, 2019	**(14,965)**	**(2,506)**	**(382)**	**(1,312)**	**(13,843)**	**(673)**	**—**	**(505)**	**(34,186)**
Depreciation	(877)	(20)	(44)	(60)	(845)	(112)	—	(41)	(1,999)
Disposals or reductions	7	643	28	12	125	29	—	22	866
(Provision for)/Reversal of provisions for impairment (3)	(1,350)	(13)	(5)	—	152	(18)	—	(2)	(1,236)
Translation differences	1,404	119	32	42	172	19	—	—	1,788
Changes in scope of consolidation	—	390	—	—	—	—	—	—	390
Reclassifications and other movements (1)	7	(13)	5	(4)	315	(334)	—	(1)	(25)
Balance at December 31, 2020 (4)	**(15,774)**	**(1,400)**	**(366)**	**(1,322)**	**(13,924)**	**(1,089)**	**—**	**(527)**	**(34,402)**
Net balance at December 31, 2019	**10,298**	**629**	**520**	**1,203**	**8,028**	**1,006**	**901**	**560**	**23,145**
Net balance at December 31, 2020	**7,871**	**667**	**570**	**1,200**	**8,481**	**588**	**1,020**	**530**	**20,927**

(1) In 2020 and 2019 this item included reclassifications from "*Property, plant and equipment in progress*" mainly to "*Machinery and plant*", as a result of several upgrade, repair and remodeling projects of the Group's refineries. In 2019 *"Investments in areas with reserves"* included the reclassification for the final recognition of the interest prior to the acquisition of the 63% interest in the Eagle Ford asset, *"Investments in exploration" included* the reclassification of the Upstream assets in Vietnam to "*Other non-current assets*" (see Note 14) ,and "*Machinery and plant*" included the reclassification of the net reversal of the impairment loss on the Gas & Trading business in North America to "*Onerous contracts*" (see Note 15).

(2) See the table below in this section for the measurement and useful life of the items of property, plant and equipment.

(3) See Note 20.

(4) At December 31, 2020 and 2019, the provisions for impairment losses on assets came to €6,679 million and €7,553 million, respectively, corresponding mainly to the impairment on "*Investments in areas with reserves*" (€5,186 million and €5,245 million in 2020 and 2019, respectively) and "*Machinery and plant*" (€836 million and €1,386 million in 2020 and 2019, respectively).

(5) In 2020 and 2019, includes property, plant and equipment in progress corresponding to investments in the industrial complexes of the Refining and Chemicals businesses, mainly in Spain and, to a lesser extent, in Peru and Portugal.

The breakdown, by geographical area, of the Group's most significant investments is detailed in section 6.1 of the 2020 Management Report which is presented using the Group's reporting model.

"Property, plant and equipment" includes investments made by the Group in service concession arrangements in the amount of €247 million and €243 million at December 31, 2020 and 2019, respectively. These concessions revert to the State over a period of time ranging from 2021 to 2066.

As a general rule, non-current assets are depreciated on a straight-line basis over their estimated useful lives. The estimated useful lives of the main assets are detailed below:

Estimated useful life	Years
Buildings and other constructions	20-50
Machinery and plant:	
Machinery, plant and tools	8-25
Specialized complex installations (Refining and Chemical industrial complexes):	
- Unit	8-25
- Storage tank	20-40
- Cabling and network	12-25
Specialized complex installations (electricity and gas):	
- Electricity generation plant	18-40
- Gas and electricity infrastructure and distribution	12-40
Transport elements	5-20
Other property, plant and equipment:	
- Furniture and fixtures	9-15

In relation to the connection rights of service stations, their ownership is conditional on the life of the contracts that give rise to them, which are amortized on a straight-line basis over the term of each contract (between 25 and 30 years).

See Note 3.7 for the useful life of the items of property, plant and equipment related to hydrocarbon exploration and production activities.

The figures corresponding to non-depreciable assets, i.e. land and property, plant and equipment in progress, amount to €584 million and €1,284 million at December 31, 2020, respectively, and €586 million and €1,054 million at December 31, 2019, respectively.

"Property, plant and equipment" includes fully depreciated items in the amount of €9,497 million and €9,536 million at December 31, 2020 and 2019, respectively.

In accordance with industry practices, Repsol insures its assets and operations worldwide. The risks insured include damage to property, plant and equipment, with the subsequent interruptions in its business that such damage may cause to the majority of operations. The Group believes that the current coverage level is, in general, appropriate for the risks inherent to its business.

The breakdown of and changes in the right-of-use assets, as well as their accumulated depreciation, are as follows:

€ Million	Machinery and plant	Transport elements	Buildings	Land	Other property, plant and equipment	Total
Balance at January 1, 2019	**1,448**	**144**	**111**	**184**	**20**	**1,907**
Acquisitions	147	159	38	9	1	354
Disposals and reductions	(1)	—	(11)	(1)	(6)	(19)
Depreciation	(167)	(48)	(26)	(18)	(10)	(269)
Translation differences and other	62	1	(2)	11	(4)	68
Balance at December 31, 2019	**1,489**	**256**	**110**	**185**	**1**	**2,041**
Acquisitions	197	36	41	27	193	494
Disposals and reductions	(12)	(2)	—	(1)	—	(15)
Depreciation	(41)	(70)	(28)	(17)	(25)	(181)
Translation differences and other	(152)	(12)	(7)	(13)	(12)	(196)
Balance at December 31, 2020	**1,481**	**208**	**116**	**181**	**157**	**2,143**

The most significant lease agreements are as follows:

- Agreement with Emera Brunswick Pipeline Company, Ltd. for the transportation of natural gas through a pipeline that connects the Canaport plant with the US border for a period of 25 years (renewable for up to an additional 30 years). It came into effect in July 2009. At December 31, 2020, the rights of use under this contract were impaired in full and the future payments recognized as financial liabilities amounted to $421 million (€343 million).

– Agreement with Maritimes & North East Pipeline for the transportation of Canadian natural gas from the Canadian border to Dracut (USA) for an initial term of 25 years (renewable for up to an additional 30 years). It initially came into effect in March 2009. At December 31 2020, the corresponding rights of use amounted to €460 million[20] and the future payments recognized as a financial liability were $931 million (€759 million).

– For the service stations that the Group has in Spain, Portugal, Italy, Peru and Mexico, lease agreements are signed for various concepts and with varying terms. At December 31, 2020, the corresponding rights of use amounted to €985 million and the future payments recognized as financial liabilities were €976 million.

(13) Investments accounted for using the equity method

Movement in this heading during 2020 and 2019 was as follows:

	€ Million	
	2020	**2019**
Opening balance for the year	**7,237**	**7,194**
Impact of new standards	—	**(50)**
Adjusted opening balance for the year	**7,237**	**7,144**
Net investments	10	(7)
Changes in scope of consolidation	54	56
Net income from investments accounted for using the equity method (1)	(609)	351
Dividends paid out	(202)	(426)
Translation differences	(473)	145
Reclassifications and other movements (2)	(120)	(26)
Balance at year end	**5,897**	**7,237**

(1) Corresponds to the net income for the period from continuing operations. It does not include "*Other comprehensive income*" amounting to €-484 million in 2020 (€-472 million for joint ventures) and €142 million in 2019 (€139 million for joint ventures), mainly due to translation differences.
(2) Includes mainly the reclassification of the equity deficit of Petroquiriquire and Cardón (see "*Value of interest in joint ventures*" below).

The breakdown of the investments accounted for using the equity method is as follows:

	€ Million	
	Carrying amount of the investment (2)	
	2020	**2019**
Joint ventures	5,757	7,126
Associates (1)	140	111
TOTAL	**5,897**	**7,237**

(1) This mainly includes the interest in Repsol Ibereólica Renovables Chile SpA and Oleoducto de Crudos Pesados (OCP) Ltd.
(2) In 2020, €5,448 million correspond to Upstream (€6,780 million in 2019).

On the basis of the shareholders agreements signed at each company, where strategic, operational and financial decisions require the unanimous consent of the parties sharing control, these companies are considered joint ventures provided they are not a joint operation The most significant joint ventures are:

Repsol Sinopec Brasil (RSB)

Repsol holds a 60% interest in Repsol Sinopec Brasil, S.A. and Repsol Sinopec Brasil B.V (through Repsol Exploración 17, B.V. and Repsol Exploraçao Brasil, Ltda., respectively, both wholly owned by Repsol, S.A.), which were included in the tables below together with RSB. The remaining 40% of these companies corresponds to Tiptop Luxembourg, S.A.R.L.

This company's main businesses are hydrocarbon exploration, production and sale. It operates mainly in Brazil.

For loans granted to the Repsol Group by RSB, see Note 7.3. For the guarantees granted by the Group to RSB, see Note 25.

YPFB Andina, S.A.

Repsol holds a 48.33% interest in YPFB Andina, S.A., through Repsol Bolivia, S.A., with the other shareholders being YPF Bolivia (51%) and non-controlling shareholders (0.67%). It engages mainly in hydrocarbon exploration, operation and sale. It operates mainly in Bolivia.

[20] Contract provisioned for an amount of €88 million.

BPRY Caribbean Ventures, LLC. (BPRY)

Repsol holds a 30% interest in the share capital of BPRY Caribbean Ventures LLC through Repsol Exploración, S.A. The remaining 70% is owned by British Petroleum Ltd. This company and its subsidiaries mainly engage in hydrocarbon exploration, operation and sale, and other related activities in Trinidad and Tobago.

Petroquiriquire, S.A.

Repsol has a 40% interest in Petroquiriquire, S.A. through Repsol Exploración, S.A. Petroquiriquire is a public-private venture, partly held by Corporación Venezolana de Petróleo, S.A. (CPV) with 56% and PDVSA Social, S.A. with 4%. Its core activity is the production and sale of oil and gas in Venezuela. For information on the Group's risks and exposure in Venezuela, see Note 20.3.

Cardón IV, S.A.

Repsol has a 50% interest in Cardón IV, S.A. through Repsol Exploración, S.A. The other 50% is owned by the ENI group. Cardón IV is a gas licensee whose core activity is the production and sale of gas in Venezuela. For information on the Group's risks and exposure in Venezuela, see Note 20.3.

Repsol Sinopec Resources UK Ltd. (RSRUK)

A company held by Talisman Colombia Holdco, Ltd, a subsidiary of the Repsol Group, and by Addax Petroleum UK Limited ("Addax"), a subsidiary of the Sinopec group, with a 51% and 49% interest, respectively. They company mainly engages in hydrocarbon exploration and operation in the North Sea. For information on the arbitration procedure concerning the purchase by Addax of its 49% interest in RSRUK, see Note 15.

Equion Energía Ltd.

Equion is a company held 51% and 49% by Ecopetrol, S.A. and Talisman Colombia Holdco, Ltd, respectively. Equion engaged mainly in activities for the exploration, research, operation, development and sale of hydrocarbon and derivative products in Colombia. This company is currently in the process of liquidation and therefore did not have significant activity in 2020.

The tables below provides a summary of the financial information for these investments, prepared in accordance with EU-IFRS accounting policies, as detailed in Note 3 and its reconciliation with the carrying amount of the investment in the consolidated financial statements:

Income from joint ventures:

	RSB		YPFB Andina		BPRY		Petroquiriquire		Cardón IV		RSRUK		Equion
€ Million	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2019**
Revenue	810	1,339	165	213	768	1,794	78	244	589	538	646	1,156	337
Amortization and impairment [(1)]	(361)	(413)	(138)	(85)	(2,060)	(1,890)	78	(77)	(193)	(46)	(876)	(401)	(130)
Other operating income/ (expenses)	(251)	(466)	(108)	(90)	(591)	(932)	(26)	(60)	(146)	(144)	(428)	(276)	(79)
Operating income	**198**	**460**	**(81)**	**38**	**(1,883)**	**(1,028)**	**130**	**107**	**250**	**348**	**(658)**	**479**	**128**
Net interest	128	168	4	10	(73)	(95)	(40)	(51)	(106)	(146)	18	23	13
Financial result	(30)	(62)	(8)	(7)	(29)	(26)	1	3	3	(7)	(68)	(94)	(30)
Net income from investments accounted for using the equity method-net of taxes	6	23	14	14	—	—	—	—	—	—	—	—	—
Net income before tax	**302**	**589**	**(71)**	**55**	**(1,985)**	**(1,149)**	**91**	**59**	**147**	**195**	**(708)**	**408**	**111**
Tax expense	(240)	(159)	15	(12)	499	690	(196)	(87)	184	(107)	232	(136)	(45)
Net income attributable to the parent	**62**	**430**	**(56)**	**43**	**(1,486)**	**(459)**	**(105)**	**(28)**	**331**	**88**	**(476)**	**272**	**66**
Repsol interest	60 %	60 %	48 %	48 %	30 %	30 %	40 %	40 %	50 %	50 %	51 %	51 %	49 %
Consolidation income	**37**	**258**	**(27)**	**21**	**(446)**	**(138)**	**(42)**	**(11)**	**166**	**44**	**(243)**	**139**	**32**
Dividends	**34**	**274**	**41**	**44**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Other comprehensive income [(2)]	**(373)**	**87**	**(35)**	**10**	**1**	**13**	**38**	**(8)**	**27**	**(10)**	**(57)**	**17**	**5**

Note: The amounts itemized in the footnotes feature the Group's percentage of ownership interest in each of the companies:
(1) Includes impairment losses on assets at BPRY, Petroquiriquire, Cardón IV and RSRUK, and due to credit risk, mainly at Cardón IV and PQQ (see Note 20).
(2) Relates to "*Valuation gains/(losses)*" and "*Amounts transferred to the income statement*" in the statement of recognized income and expense.

Carrying amount of interest in joint ventures:

	RSB		YPFB Andina		BPRY		Petroquiriquire		Cardón IV		RSRUK		Equion
€ Million	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2019
Assets													
Non-current assets	8,366	9,434	699	894	3,191	7,067	106	215	739	1,033	2,921	3,278	36
Current assets	476	1,316	280	435	427	582	345	547	389	309	1,093	1,556	690
Cash and cash equivalents	132	27	41	94	89	74	12	13	3	12	71	8	51
Other current assets [(1)]	344	1,289	239	341	338	508	333	534	386	297	1,022	1,548	639
Total Assets	**8,842**	**10,750**	**979**	**1,329**	**3,618**	**7,649**	**451**	**762**	**1,128**	**1,342**	**4,014**	**4,834**	**726**
Liabilities													
Non-current liabilities	1,780	2,056	210	234	2,420	5,481	736	898	1,113	1,605	2,730	2,875	20
Financial liabilities	997	933	—	—	1,117	1,656	652	740	826	1,203	58	143	—
Other non-current liabilities	783	1,123	210	234	1,303	3,825	84	158	287	402	2,672	2,732	20
Current liabilities	396	1,432	55	168	895	382	772	913	523	629	159	248	95
Financial liabilities	126	141	—	—	587	—	11	—	7	—	32	—	—
Other current liabilities [(1)]	270	1,291	55	168	308	382	761	913	516	629	127	248	95
Total Liabilities	**2,176**	**3,488**	**265**	**402**	**3,315**	**5,863**	**1,508**	**1,811**	**1,636**	**2,234**	**2,889**	**3,123**	**115**
NET ASSETS	**6,666**	**7,262**	**714**	**927**	**303**	**1,786**	**(1,057)**	**(1,049)**	**(508)**	**(892)**	**1,125**	**1,711**	**611**
Repsol interest	60 %	60 %	48 %	48 %	30 %	30 %	40 %	40 %	50 %	50 %	51 %	51 %	49 %
Share in net assets [(2)]	4,000	4,357	343	445	91	536	(423)	(420)	(254)	(446)	574	873	299
Capital gains/(losses)	—	—	—	—	—	—	—	—	—	—	—	—	—
Carrying amount of the investment	**4,000**	**4,357**	**343**	**445**	**91**	**536**	—	—	—	—	**574**	**873**	**299**

Note: The amounts itemized in the footnotes feature the Group's percentage of ownership interest in each of the companies:

(1) With regard to Petroquiriquire, other current assets and liabilities include the offsetting of reciprocal claims and debts with PDVSA under the agreed terms.

(2) Petroquiriquire: in 2020 and 2019 a provision was recognized for contingencies and charges amounting to €423 million and €420 million at December 31, respectively, corresponding to the equity deficit of Petroquiriquire (see Note 15).
Cardón IV: The value of the investment is made equal to zero by deducting the carrying amount from the loan granted to Cardón IV (the balance of which, net impairment, at December 31, 2020 and 2019 amounted to €255 million and €371 million, respectively, and which is considered a net investment (see Note 8.1)). In addition, in 2019 a provision for contingencies and charges was also recognized for the remaining equity deficit in the amount of €75 million.

Regarding joint arrangements and associates that are material or of significant relative importance: (i) there are no applicable legal restrictions on the capacity to transfer funds to Repsol, (ii) the financial statements that have been used refer to the same date as the financial statements of Repsol, S.A., and (iii) there are no unrecognized losses.

(14) Other non-current assets

In 2020 and 2019, this heading mainly included accounts receivable from PDVSA in Venezuela (see Notes 20.3) amounting to €293 million (€347 million in 2019) and the deposits associated with the decommissioning of Upstream assets ("sinking funds") amounting to €154 million (€157 million in 2019), mainly in Malaysia and Indonesia. In 2019 it also included the carrying amount of assets whose activity was suspended in Vietnam.

Following the agreement with PetroVietnam to transfer its 51.75% interest in Block 07/03 and 40% interest in Blocks 135 & 136/03 and after having received the related consideration (see Note 24), the carrying amount of these assets was derecognized.

(15) Current and non-current provisions

Repsol makes judgements and estimates that affect the recognition and measurement of provisions for litigation, decommissioning and other contingencies. The final cost of settling complaints, claims and litigation may vary from the estimates previously made due to differences in the identification of dates, interpretation of rules, technical opinions and assessments of the amount of damages and liabilities.

The calculations to recognize provisions for the cost of decommissioning its hydrocarbon production operations are complex, on account of the need to initially recognize the present value of the estimated future costs and to adjust this figure in subsequent years in order to reflect the passage of time and changes in the estimates due to changes in the underlying assumptions used as a result of technological advances and regulatory changes, economic, political and environmental security factors, as well as changes in the initially-established schedules or other terms. The decommissioning provisions are updated regularly to reflect trends in estimated costs and the discount rates. These discount rates take into account the risk-free rate, by term and currency, country risk and a spread according to debt structure and the cash flow projection period. Specifically, the weighted average rate used by the Group was 2.7%.

The decommissioning provisions associated with refineries and petrochemical facilities are generally not recognized, as the potential obligations cannot be measured, given their undetermined settlement dates. The Group regularly reviews its refineries and long-lived petrochemical assets to detect changes in facts and circumstances that may require the recognition of a decommissioning provision.

Additionally, Repsol makes judgements and estimates in recognizing costs and establishing provisions for environmental clean-up and remediation costs, which are based on current information regarding costs and expected plans for remediation based on applicable laws and regulations, the identification and assessment of the effects on the environment, as well as sanitation technologies.

Therefore, any change in the factors or circumstances related to provisions of this nature, as well as changes in laws and regulations could therefore have a significant effect on the provisions recognized.

15.1) Provisions

At December 31, 2020 and 2019, the balance and changes in these items during 2020 and 2019 are as follows:

	€ Million				
	Provisions for current and non-current contingencies and charges				
	Field decommissioning [3]	Onerous contracts	Legal contingencies	Other provisions [4]	Total
Balance at December 31, 2018	**1,962**	**731**	**105**	**1,133**	**3,931**
Impact of new standards	—	(116)		—	(116)
Balance at January 1, 2019	**1,962**	**615**	**105**	**1,133**	**3,815**
Provisions charged to income [1]	94	105	861	416	1,476
Provisions reversed with a credit to income	(85)	(12)	(16)	(17)	(130)
Cancellation due to payment	(99)	(51)	—	(86)	(236)
Changes in scope of consolidation	(4)	—	12	(1)	7
Translation differences	30	17	2	1	50
Reclassifications and other [2]	(28)	(254)	(16)	93	(205)
Balance at December 31, 2019	**1,870**	**420**	**948**	**1,539**	**4,777**
Provisions charged to income [1]	84	20	14	370	488
Provisions reversed with a credit to income	(22)	(33)	(5)	(21)	(81)
Cancellation due to payment	(54)	(47)	(11)	(86)	(198)
Changes in scope of consolidation	(2)	—	—	(28)	(30)
Translation differences	(144)	(30)	(79)	(22)	(275)
Reclassifications and other [2]	41	—	24	(434)	(369)
Balance at December 31, 2020	**1,773**	**330**	**891**	**1,318**	**4,312**

(1) In 2020 and 2019, this line item included €75 million and €114 million, respectively, reflecting the discounting to present value of provisions and "*Other provisions*" included the provision corresponding to the consumption of CO_2 allowances (see Note 29) for €281 million and €325 million, respectively. In 2019, "*Legal contingencies*" included the provision relating to the arbitration initiated by Addax Petroleum UK Limited in relation to the purchase of Talisman Energy UK Limited (see section 2 of this Note).

(2) In 2020 and 2019 "*Other provisions*"included mainly the derecognition of the CO_2 emissions allowances consumed in 2019 amounting to €320 million (see Note 29) and the adjustment for the negative value of the investments in Petroquiriquire and Cardón IV (see Note 13). In 2019 "*Onerous contracts*" included the reclassification of the provision for onerous charges of the Wholesaler & Trading Gas business in North America to "*Machinery and plant*" (see Notes 12 and 20).

(3) In 2020, a change in the discount rate of +/- 50 bp would have the effect of decreasing/increasing decommissioning provisions by €(101) million and €114 million, respectively.

(4) "*Other provisions*" includes mainly the provisions recognized to cover obligations arising from environmental clean-up and remediation costs (see Note 29), pension commitments (see Note 27), use of CO_2 allowances (see Note 29), employee incentive schemes (see Note 27), provisions for tax risks not related to income tax (see Note 22), provisions for workforce restructuring and other provisions to cover obligations arising from the Group's interests in companies. The tax provisions related to income tax are presented under "*Deferred taxes and other*" in the balance sheet (see Note 23).

The following table provides an estimate of maturities of provisions at year-end 2020:

	Due dates[(1)] € Million			
	Less than one year	From 1 to 5 years	> 5 years and/or undetermined	Total
Provisions for field decommissioning	104	351	1,318	1,773
Provision for onerous contracts	32	106	192	330
Provision for legal and tax contingencies	1	887	3	891
Other provisions	603	633	82	1,318
TOTAL	**740**	**1,977**	**1,595**	**4,312**

[(1)] Due to the nature of the risks provisioned, these timing assessments are subject to uncertainty and changes that are beyond the Group's control. As a result, this schedule could change in the future depending on the circumstances on which these estimates are based.

15.2) Disputes

The amounts provisioned are calculated on the basis of the best estimate of the amount needed to settle the lawsuit in question, underpinned, among others, by a case-by-case analysis of the facts, the legal opinions of its in-house and external advisors and prior experience from past events.

At December 31, 2020, Repsol's balance sheet includes provisions for litigation in the ordinary course of its activities totaling €891 million (€948 million at December 31, 2019). The most significant legal or arbitration proceedings and their status as of the date of authorization for issue of these consolidated Financial Statements are summarized below.

United Kingdom

Addax arbitration in relation to the purchase of Talisman Energy UK Limited (TSEUK)

On July 13, 2015, Addax Petroleum UK Limited ("Addax") and Sinopec International Petroleum Exploration and Production Corporation ("Sinopec") filed a "Notice of Arbitration" against Talisman Energy Inc. (currently "ROGCI") and Talisman Colombia Holdco Limited ("TCHL") in connection with the purchase of 49% of the shares of TSEUK (currently "RSRUK"). On October 1, 2015, ROGCI and TCHL submitted the answer to the "Notice of Arbitration". On May 25, 2016, Addax and Sinopec formalized the arbitration claim, in which they requested that, in the event that their claims are upheld in full, they be paid the amount of their initial investment in RSRUK, materialized in 2012 through the purchase of 49% of this from TCHL, a wholly-owned subsidiary of ROGCI, together with any additional investment, past or future, in such company, as well as any loss of opportunity that could have occurred, which is estimated to be a total figureof approximately $5,500 million.

The dispute relates to events which took place in 2012, prior to Repsol's acquisition of Talisman in 2015 -and that does not involve any actions by Repsol.

ROCGI and TCHL submitted their response to the arbitration complaint and corresponding evidence on November 25, 2016. Addax and Sinopec submitted a reply brief with additional evidence on May 31, 2017; and ROCGI and TCHL submitted a rejoinder brief and further evidence on August 2, 2017. New expert reports were exchanged on October 18, 2017, November 1, 2017, and May 23, 2018.

ROGCI and TCHL asked the Arbitral Tribunal to dismiss the claims of Addax and Sinopec based on contractual guarantees and in January 2017 the Court decided that it would deliberate on that request prior to other issues. The hearing regarding this request took place on June 19 and 20, 2017. On August 15, 2017, the Arbitral Tribunal issued a Partial Award dismissing Addax and Sinopec warranty claims.

The Arbitral Tribunal decided, among other procedural matters, to split the procedure into two phases: the first addressing liability and the second dealing with the amount of any liability found that, where appropriate, would have been determined. The oral hearing on liability issues took place between January 29 and February 22 and between June 18 and 29, 2018, this last period being devoted mainly to the testimonies of the experts proposed by the parties. The hearing on the oral conclusions was held from July 9 to 11, 2018 and the written conclusions were presented on September 29 and October 12, 2018.

The five main matters in dispute are Reserves, Production, Abandonment, Projects and Maintenance. On January 29, 2020, the Arbitral Tribunal issued its second Partial Award on the first aspect of the five matters to be determined in the liability phase and, although Repsol had considered the claims to be without merit -supported by external advice-, and still does, the Tribunal has decided that ROGCI and TCHL are liable to Sinopec and Addax in respect of that aspect of the claim.

As indicated, the partial Award issued addresses one of the five claims regarding liability. The Court has indicated that it will decide the result of the remaining ones in due time, through subsequent awards, although the time at which they will be issued is currently unknown. In principle, once all of them have been decided, a new procedural phase will be necessary to determine the amounts, whose schedule has not yet been established. It is likely that this calendar should include deadlines for new allegation briefs, evidence, additional expert statements and a new oral hearing. It is estimated that the phase related to the determination of the amount, without taking into account any challenges to the awards, will not be resolved before the first quarter of 2022.

On April 28, 2020, Repsol challenged the partial award in the Singapore courts, as the case had been transferred to the Singapore International Commercial Court (SICC). The oral hearing will be held on March 8, 15 and 18, 2021 (March 19 as a reserve date) and a decision on the action for annulment is therefore expected to be handed down during the second quarter of 2021.

In accordance with the foregoing, the Court still has yet (i) to hand down one or more awards in which it decides on the liability issues relating to the Production, Abandonment, Projects and Maintenance area, and (ii) to process the entire second phase for the quantification of damages.

Although it is not known with certainty the amount of the eventual compensation (if any), since the litigation still has a long way and numerous pending decisions, in view of the partial award issued, Repsol has estimated the economic impacts that could be derived finally and as a whole from the litigation, and therefore has recognized a provision of $940 million in their financial statements as of December 31, 2020.

Additionally, on November 30, 2017 Repsol, S.A. commenced arbitration proceedings against China Petroleum Corporation and TipTop Luxembourg S.A.R.L (Sinopec Group companies) seeking relief from any adverse ruling on the arbitration mentioned above together with other damages yet unquantified. This procedure is based on their conduct towards Repsol during the months leading up to its acquisition of the Talisman Group. They are currently deciding on issues relating to the evidence. The hearing will begin on May 27, 2021 and an award is expected to be handed down during the second half of 2021. If Repsol's claim is upheld, SINOPEC should hold Repsol harmless from any judgment in the other arbitration proceedings.

United States of America

<u>The Passaic River / Newark Bay lawsuit</u>

The events underlying this litigation related to the sale by Maxus Energy Corporation (*"Maxus"*) of its former chemicals subsidiary, Diamond Shamrock Chemical Company ("*Chemicals"*) to Occidental Chemical Corporation (*"OCC"*). Maxus agreed to indemnify Occidental for certain environmental contingencies relating to the business and activities of Chemicals prior to September 4, 1986. After that (1995), Maxus was acquired by YPF, S.A. and subsequently (in 1999) Repsol, S.A. acquired YPF.

In December 2005, the New Jersey Department of Environmental Protection (*"DEP"*) and the New Jersey Spill Compensation Fund (together, the *"State of New Jersey"*) sued Repsol YPF, S.A. (today called Repsol, S.A., hereinafter, "*Repsol"*), YPF, YPF Holdings Inc. (*"YPFH"*), CLH Holdings (*"CLHH"*), Tierra Solutions, Inc. (*"Tierra"*), Maxus and OCC for the alleged contamination caused by the former Chemicals plant which allegedly contaminated the Passaic River, Newark Bay and other bodies of water and properties in the vicinity.

On September 26, 2012 OCC lodged a Second Amended Cross Claim (the "Cross Claim") against Repsol, YPF, Maxus, Tierra and CLHH (all of which together "the Defendants") demanding, among other things, that Repsol and YPF be held liable for Maxus' debts. Between June 2013 and August 2014, the Defendants signed different agreements with the State of New Jersey, in which they do not acknowledge liability and through certain payments in exchange for the withdrawal by the State of New Jersey of its proceedings against them. In February 2015, Repsol file a claim against OCC for the $65 million that it had to pay to the State of New Jersey.

On April 5, 2016 the Presiding Judge decided to dismiss OCC's suit against Repsol in full. On June 17, 2016 Maxus filed for bankruptcy with the Federal Bankruptcy Court of the State of Delaware, and also requested the stay of the Cross Claim. On October 19, 2017, the Presiding Judge upheld Repsol's claim against OCC in full, ordering OCC to pay $65 million plus interest and costs.

On September 14, 2018, Maxus (declared by the Federal Bankruptcy Court of Delaware, the successor to OCC -its main creditor- as the claimant in the Cross Claim) filed an appeal against the ruling handed down in these proceeding, and that rejected the claim between Maxus and Repsol. At the same time, OCC filed an appeal against the claim ordering them to pay the $65 million that Repsol had to pay to the State of New Jersey. The hearing for both appeals was held on December 16, 2020.

On June 14, 2018, the Maxus Bankruptcy Administration filed a lawsuit ("*New Claim*") in the Federal Bankruptcy Court of the State of Delaware against YPF, Repsol and certain subsidiaries of both companies for the same claims as those contained in the Cross Claim. In February 2019, the Federal Bankruptcy Court rejected the petitions submitted by Repsol requesting that the Court reject the New Claim from the outset, which implies that the proceedings will be ongoing.

Repsol maintains the view, as has been shown in the Cross Claim, that the claims made in the New Claim and in the Insurance Claim are unfounded.

On December 10, 2019, the bankruptcy managers of Maxus filed an Insurance Claim in Texas against Greenstone Assurance Limited (a historical captive reinsurance company of the Maxus Group and currently 100% owned by Repsol - “Greenstone”), claiming that this company would be required to pay Maxus compensation for the liabilities arising from the indemnity granted to OCC, by virtue of alleged insurance policies issued by Greenstone between 1974 and 1998. Repsol continues to maintain the view that the claims asserted in the Insurance Claim are unfounded. However, the parties have reached a settlement agreement for an amount of $25 million, subject to the signing of a final agreement, and on February 9, 2021, the judge agreed to suspend all deadlines in the proceedings for a period of 30 days.

CURRENT ASSETS AND LIABILITIES

(16) Inventories

Inventories are measured at weighted average cost. Commodities related to trading activity are measured at fair value less costs to sell and changes in value are recognized in the income statement.

The breakdown of "Inventories" at December 31, 2020 and 2019 is as follows:

	€ Million	
	2020	2019
Crude oil and natural gas	1,130	1,457
Finished and semi-finished products	1,653	2,778
Materials and other inventories (1)	596	362
TOTAL (2)	**3,379**	**4,597**

(1) Includes zero-cost CO_2 allowances for a total of €189 million (equal to 7,747 thousand tons).
(2) Includes inventory write-downs of €38 million and €51 million at December 31, 2020 and 2019, respectively. The write-downs recognized and reversed amounted to €(8) million and €20 million, respectively (€(6) million and €13 million in 2019).

At December 31, 2020 the balance of commodities, related to trading activity, amounted to €360 million, and the effect of their measurement at market value represented income of €49 million. Recoverable amounts are calculated using forward price curves provided by the market depending on the time horizon for the transactions. The main variables used are: prices taken from official publications (Platt's, Argus, OPIS, brokers, etc.) and historic or mark-to-market premiums, if available.

The decrease in inventories is mainly due to a lower average Brent price in 2020 ($41.8/bbl; compared to $64.2/bbl in 2019) and, to a lesser extent, to the lower volume of products distilled and stored in refineries as a result of falling demand due to COVID-19.

At December 31, 2020 and 2019 the Repsol Group complied with the legal requirements regarding minimum safety stocks established under prevailing legislation (see Appendix III) through its Spanish Group companies.

(17) Trade and other receivables

The breakdown of this heading at December 31, 2020 and 2019 is as follows:

	€ Million	
	2020	**2019**
Trade receivables for sales and services (gross amount)	3,046	3,984
Impairment	(210)	(200)
Trade receivables for sales and services	**2,836**	**3,784**
Receivables from operating activities and other receivables	597	669
Receivables from operations with staff	41	46
Public administrations	202	281
Trade derivatives (Note 9)	200	168
Other receivables	**1,040**	**1,164**
Current tax assets	**180**	**963**
Trade and other receivables	**4,056**	**5,911**

The environment affected by COVID-19 led to a decrease in activity and, therefore, in the balance of accounts receivable for sales and services, without this entailing a significant increase in credit risk (see Note 10.3).

(18) Trade and other payables

Repsol had the following accounts payable classified under *"Trade and other payables"*:

	€ Million	
	2020	**2019**
Suppliers	**2,471**	**3,638**
Payables and others	2,611	2,902
Payables to public administrations	537	600
Derivative financial instruments (Note 9)	208	350
Other payables	**3,356**	**3,852**
Current tax liabilities	**72**	**192**
TOTAL	**5,899**	**7,682**

Information on the average period of payment to suppliers in Spain

The disclosures made in respect of the average period of payment for trade payables are presented in accordance with that established in applicable law.

	Days	
	2020	**2019**
Average period of payment to suppliers (1)	28	24
Ratio of transactions paid (2)	28	24
Ratio of transactions payable (3)	30	30
	Amount (€ Million)	
Total payments made	10,752	11,833
Total payments outstanding	283	625

(1) ((Ratio of transactions paid * total payments made) + (Ratio of transactions payable * total payments outstanding)) / (Total payments made + total payments outstanding).
(2) Σ (Number of days of payment * amount of the transaction paid) / Total payments made.
(3) Σ (Number of days outstanding * amount of the transaction payable) / Total payments outstanding.

In accordance with the transitional provisions of Law 15/2010, the maximum legal payment deadline is 60 days.

INCOME

(19) Operating income

On the same date as these consolidated Financial Statements, Repsol published its 2020 consolidated Management Report, which includes an explanation of performance results and other aggregates.

19.1) Sales and income from services rendered

Income is recognized based on compliance with performance obligations to customers. Income from ordinary activities represents the transfer of committed goods or services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods and services. There are five distinct steps in income recognition: i) identify the customer's contract(s), ii) identify performance obligations, iii) determine the transaction price, iv) assign the transaction price to the different performance obligations, and v) income recognition according to the fulfillment of each obligation. At December 31, there were no relevant performance obligations outstanding with customers.

Most of the Group's business contracts have a single performance obligation that is fulfilled with the delivery of the product, which takes place at a specific point in time.

In sales in which the Group acts as an agent, the Group only recognizes the net interest margin as revenue.

With regard to excise duties (tax on hydrocarbons), this is a single-phase tax and the company assumes the same repercussions as the holder of the tax warehouse (normally CLH), and Repsol subsequently transfers this cost to its customers as part of the price of the product. In other words, Repsol does not act as a mere collection agent for the Spanish Tax Agency as it is not a tax that can be recovered from the tax authorities (for example, in the event of non-payment by the end customer), but rather a tax for which the Group assumes all the risks (for example, also in the event of the destruction or loss of the product) and rewards, and therefore in essence constitutes a production cost to be recovered, where appropriate, through the sale of the product, with the company being free to set the sales price. This is why Repsol considers the tax on hydrocarbons to be a cost incurred and, symmetrically, as an increase in revenue from sales.

In Upstream, income was mainly generated either from the sale of crude oil, condensates and liquefied natural gas and natural gas, or from the provision of hydrocarbon operation services, depending on the contracts in force in each of the countries in which the Group operates. In the Industrial segment, income is generated mainly from the sale of oil products (petrol, fuel oil, LPG, asphalt, lubricants, etc.), petrochemical products (ethylene, propylene, polyolefins and interim products). With regard to Commercial and Renewables, income is generated mainly from the sale of gas (natural gas and LNG) and electricity.

The distribution, by country, of income from ordinary activities ("*Sales*" and "*Income from services rendered*") by segment in 2020 and 2019 is as follows:

	2020	**2019**
Upstream	2,963	4,678
Industrial	25,142	38,236
Commercial and Renewables	16,315	23,770
Corporate	(11,138)	(17,356)
TOTAL	**33,282**	**49,328**

Note: Includes excise duties levied on hydrocarbon consumption amounting to €5,033 million and €6,850 million in 2020 and 2019, respectively.

The reduction in revenue in 2020 is explained by the economic impacts of the COVID-19 pandemic and, in particular, (i) a decline in realization prices and production volumes in the assets of the Exploration and Production segment, mainly the US, Brazil, Norway and Algeria, (ii) lower activity in industrial complexes due to slack demand for oil products, and (iii) a drop in sales in the commercial businesses as a result of the decline in demand due to mobility restrictions. In addition, the decline in revenue in the Exploration and Production segment was the result of the long-term production shutdowns in Libya due to safety conditions.

For more information, see section 6.1 of the 2020 Management Report.

The distribution, by country, of income from ordinary activities ("*Sales*" and "*Income from services rendered*") in 2020 and 2019 is shown below:

€ Million	**2020**	**2019**
Spain	17,088	26,175
United States	1,988	3,052
Peru	1,672	2,846
Portugal	1,912	2,611
Other	10,622	14,644
TOTAL [(1)(2)]	**33,282**	**49,328**

(1) The distribution by geographical area has been drawn up based on the markets to which the sales or income relate.

(2) The distribution of the target markets is as follows: i) EU euro zone: €22,464 million (€33,879 million in 2019), ii) EU non-euro zone: (includes the UK, considering that the transition period agreed with the EU was extended to December 31, 2020, see Note 20.3): €488 million (€396 million in 2019), and iii) Other countries: €10,330 million (€15,053 million in 2019) in 2020 including that generated in the UK following its departure from the EU on January 31, 2020 (see Note 20.3).

19.2) Changes in inventories of finished goods and work in progress

The expense recognized under this heading is explained by the drop in prices in the period for finished goods and work in progress at the industrial complexes, and for unsold inventories in the hydrocarbon exploration and production activities.

19.3) Other operating income

This heading reflects, inter alia, income recognized on the remeasurement of trade derivatives (see Note 9) and the reversal of provisions, taken to the income statement (see Note 15). It also includes operating grants amounting to €18 million and €19 million in 2020 and 2019, respectively.

19.4) Procurements

This heading includes the following items:

	€ Million	
	2020	**2019**
Purchases	24,158	36,960
Changes in inventories	677	(157)
TOTAL	**24,835**	**36,803**

The lower costs of "*Procurements*" were mainly due to lower prices of raw materials and the fall in volumes due to less activity at the industrial complexes.

This heading includes excise duties levied on hydrocarbon consumption mentioned in *"Sales and income from services rendered"* of this Note.

19.5) (Charges for)/Reversal of impairment

These headings include the following items:

	€ Million	
	2020	**2019**
Impairment charges of assets (Notes 10.3, 17, 20)	(2,494)	(5,746)
Reversal of impairment (Note 20)	335	424
TOTAL	**(2,159)**	**(5,322)**

19.6) Personnel expenses

"*Personnel expenses*" includes the following items:

	€ Million	
	2020	**2019**
Remuneration and other	1,407	1,493
Social security costs	438	453
TOTAL	**1,845**	**1,946**

19.7) Exploration expenses

Hydrocarbon exploration expenses in 2020 and 2019 amounted to €253 million and €916 million, of which €86 million and €120 million are recognized under *"Amortization and depreciation of non-current assets"* and €116 million and €690 million under *"(Charges for)/Reversal of impairment"* in 2020 and 2019, respectively.

The geographical distribution of the costs taken to the income statement in respect of exploration activities is as follows:

	€ Million	
	2020	**2019**
Europe	105	134
America	60	143
Africa	24	111
Asia	64	403
Oceania	—	125
TOTAL	**253**	**916**

For more information, see *Information on oil and gas exploration and production activities* (non-audited information) at www.repsol.com.

19.8) Gains/(losses) on disposal of assets

No assets with a significant impact on the income statement were disposed of in 2020 or 2019.

19.9) Transport and freights and other operating expenses

The costs recognized under "*Transport and freight*" decreased as a result of lower prices in the freight market in 2020.

Moreover, "*Other operating expenses*" includes the following items:

	€ Million	
	2020	**2019**
Operator expenses [(1)]	559	613
Services of independent professionals	439	537
Leases [(2)]	125	170
Taxes [(3)]	325	433
Taxes on production	73	154
Other	252	279
Repair and upkeep [(4)]	258	272
Measurement of trade derivatives [(5)]	139	305
Consumption of CO_2 allowances [(6)]	281	325
Others [(7)]	1,299	2,100
TOTAL	**3,425**	**4,755**

Note: In order to minimize transport costs and optimize the Group's logistics chain, oil product exchanges of a similar nature are carried out with other companies in different geographical locations. These transactions are not recognized in the income statement for the year as individual purchases and sales, but rather any economic differences are recognized at their net amount.

(1) Includes, among other items, the cost of agency services at the facilities of Compañía Logística de Hidrocarburos CLH, S.A., product bottling, storage, loading, transportation and dispatch services.
(2) In 2020, it included expenses for short-term and low-value leases (€110 million) and for variable payments (€15 million).
(3) They correspond to taxes other than income tax (see Note 23). Taxes on hydrocarbon production in Upstream activities have been paid mainly in Libya, Algeria and Peru. The other taxes reflect mainly local taxes. For further information on taxes paid, see section 8.6 of the consolidated Management Report and the Report on Payments to Governments published by the Company.
(4) Relates to repair, upkeep and maintenance activities carried out mainly at the Group's industrial complexes.
(5) Relates mainly to derivatives arranged in trading activities involving crude oil, gas, oil products and electricity (see Note 9).
(6) See Note 29.1.
(7) Includes, among others, the period provisions.

The decrease in "*Leases*" in 2020 is due to, among other things, the reduction in the variable portion of contracts linked to performance, which has been affected by the environment (lower sales), mainly at service stations. The decrease in "*Taxes*" is explained by the decline in activity and lower prices. The decrease in expenses under "*Measurement of trade derivatives*" is mainly explained by the decline in value of derivatives and commitments over commodities as a result of the drop in price of crude oil and oil products.

"*Consumption of CO_2 allowances*" was reduced as a result of the reduction in activity at industrial complexes due to the drop in demand given the backdrop of COVID-19.

The decrease in "*Others*" compared to 2019 is explained mainly by the period provisions to cover litigation risks, which included the provision during that year corresponding to the arbitration proceedings with Addax (see Note 15).

19.10) Research and development

Research expenses incurred are recognized under "*Other operating expenses*" as expenses for the year and development expenditure is capitalized only if all the conditions established in the accounting standard of reference are met.

The expense recognized in the income statement in connection with research and development activities amounted to €65 million in 2020 and €72 million in 2019. The capitalized expenses corresponding to development activities amounted to €20 million in 2020.

(20) Asset impairment

Impairment test

In order to ascertain whether its assets have become impaired, the Group compares their carrying amount with their recoverable amount at least annually and whenever there are indications that an asset might have become impaired ("impairment test"). If the recoverable amount of an asset is estimated to be less than its net book value, the carrying amount of the asset is reduced to its recoverable amount, and an impairment loss is recognized in the income statement.

After an impairment loss has been recognized, amortization charges are calculated prospectively on the basis of the reduced carrying amount of the impaired asset.

When there are new events, or changes in existing circumstances, which prove that an impairment loss recognized on a prior date could have disappeared or decreased, a new estimate is given for the recoverable amount of the corresponding asset, and, if applicable, the impairment losses recognized in previous years are reversed. An impairment loss of goodwill cannot be reversed in subsequent years.

If a previously recognized impairment loss is reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, up to the limit of the carrying amount that would have been recorded had no impairment loss on the value of the asset been recognized in previous periods.

Cash-generating units

For the impairment test, assets are grouped into cash-generating units (CGUs) if, when individually considered, they do not generate cash inflows that are independent of the cash inflows from other assets of the CGU. The grouping of assets into the various CGUs implies the use of professional judgements and the determination, among other criteria, of the business units and geographical areas in which the Group operates. Against this backdrop, in the Upstream segment, each CGU corresponds to one of the various contractual exploration areas widely known as 'blocks'; exceptionally, if the cash flows generated by more than one block are mutually interdependent, these blocks will be grouped into a single CGU. In the case of the Industrial, and Commercial and Renewables segments, the CGUs correspond to activities (mainly Refining, Chemicals, Wholesale and Trading Gas, Mobility, LPG, Lubricants, Asphalts and Specialized Products, Electricity Generation and Sale) and geographical areas. In 2020 there were no significant changes in the composition of the CGUs.

Goodwill acquired on a business combination is allocated among the CGUs or groups of CGUs that benefit from the synergies of the business combination, up to the limit of the business segment.

Calculating the recoverable amount

The recoverable amount is the higher of fair value less costs to sell and value in use.

The methodology used by the Group to estimate the recoverable amount of assets is, in general, the value in use, calculated by discounting to present value the future cash flows after tax expected to derive from the operation of these assets. For specific information on the methodology for calculating the recoverable amount, see Note 3.6.

20.1) Asset impairment test

The Group has assessed the recoverable amount of its cash-generating units as per the methodology described in Note 3 and the scenarios consistent with its new vision of the market, the expected environment and its strategy. The main assumptions are described below:

a) Future price path:

In 2020, in view of the situation in the commodity markets, the social and economic consequences of the COVID-19 pandemic and the foreseeable evolution of the energy transition, the Group reviewed its expectations of future oil and gas prices, modifying the price paths defined at the end of 2019 to bring them into line with the new scenario.

It should be noted that these estimates were made in an environment of high uncertainty, marked by the scenarios of emerging from the COVID-19 crisis, by the dynamics of the energy transition and decarbonization of the economy and, in short, by their possible impacts on the Oil & Gas markets. Against this backdrop, in 2020, compared with the expected oil prices, especially gas prices, in 2019 (see Note 21 to the 2019 consolidated Financial Statements):

- The Brent's path was revised downwards in the short and medium term (until 2024) as a result of a contraction in the demand for oil never seen before and a reaction of supply that was insufficient to adjust to the low demand, despite the fact that the OPEC+ made the biggest production cut in its history and other producers have also taken heavy cuts.

- The Henry Hub path was revised upwards for 2021, due to the drop in gas production and the boost in the demand for gas for the electricity industry and electricity generation in the US, and the path was revised downwards in the medium and long term due to the expectation of greater penetration of renewable energies on a global scale and the consolidation of excess supply in the face of falling global demand.

The new assumptions for the main price references are:

Real terms 2020	2021-2050[1]	2021	2022	2023	2024	2025	2026-2050[2]
Brent ($/ barrel)	59	49	55	58	62	67	59
WTI ($/ barrel)	57	46	52	56	59	64	57
HH ($/ Mbtu)	2.8	2.9	2.8	2.8	2.9	2.9	2.8

(1) Average prices for the 2021-2050 period.
(2) Average prices for the 2026-2050 period.

The most relevant CO_2 prices for the Group are those of the current EU ETS mechanism (see Note 29.1). For these purposes, the estimated price of the allowances for the 2021-2025 period is $25.0/Tn, $27.0/Tn, $29.2/Tn, $31.5/Tn and $34.0/Tn, respectively ($58.6/Tn in the 2021-2050 period). Specific assumptions have been used for other countries with CO_2 emission allowances or taxes.

These assumptions consider the implementation of the public policies and commitments aimed at boosting the pace of the decarbonization of the economy to achieve the climate change objectives of the Paris Agreement and sustainability goals of the UN. They represent a commitment to the decarbonization of the economy and, therefore, assume the restriction on the use of fossil fuels and the development of new alternative technologies that drive the energy transition; this will mean a reduction in the demand for hydrocarbon products in the medium and long term should be noted. This will require companies to have a strategy in place to adapt to the energy transition that Repsol has already begun.

b) Discount rates:

The discount rate used by Repsol is the weighted average cost of capital employed after tax for each country and business. This rate seeks to reflect current market assessments with regard to the time value of money and the specific risks of the business. Therefore, the discount rate used takes into account the risk-free rate, the country risk, the currency in which the cash flows are generated and the market, credit and business and/or asset risk. For more information, see Note 3.6.

	2020	2019
UPSTREAM [1]		
Latin America-Caribbean	7.2% - 37.6%	7.5% - 37.6%
Europe and North Africa	7.0% - 18.6%	7.3% - 13.1%
North America	7.5% - 7.6%	8.0%
Asia and Russia	7.4% - 9.2%	7.6% - 10.1%
INDUSTRIAL [2]	4.6% - 8.4%	5.2% - 9.0%
COMMERCIAL AND RENEWABLES [2]	4.2% - 9.7%	4.2% - 8.7%

(1) Discount rates in US dollars.
(2) Discount rates in euros and US dollars.

c) Impairment recognized

In 2020 impairment charges have been recognized for the Group's assets in these balance sheet headings:

€ Million	Notes	Total
Goodwill	11	(667)
Other intangible assets [1]	11	(45)
Property, plant and equipment [1]	12	(1,190)
Investments accounted for using the equity method [2]	13	(932)
Provisions for onerous charges	15	54
Deferred tax assets	22	(236)

(1) It does not include impairment losses on unsuccessful exploratory investments (see Note 19.7) amounting to €71 million, recognized in the normal course of operations (apart from the annual calculation of the recoverable amount of the assets).
(2) Before tax. Includes the impairment of deferred tax assets of companies accounted for using the equity method.

Impairment, net of reversals, amounted to €-3,016 million before tax (€-2,774 million after tax)[21].

Upstream assets

The Group has recognized net impairment losses in relation to the assets of the Upstream segment[22] amounting to €-3,115 million, before tax, which affect:

- North America (€-885 million): mainly in Canada, because of lower crude oil and gas prices and adjustments to asset development plans.
- Latin America (€-432 million): mainly in Trinidad and Tobago as a result of lower gas prices.
- Europe and North Africa (€-540 million): mainly in the United Kingdom, Norway and Algeria, due to lower gas prices and changes to asset development plans.
- Asia and Russia (€-468 million): mainly in Indonesia, due to new expectations regarding gas demand and prices and in Malaysia as a result of increased costs for reducing emissions.
- Exploratory and development assets (€-121 million): in Russia, Indonesia and Bolivia, due to the lower crude oil and gas prices.
- Goodwill associated with the ROGCI business combination (€-594 million): due to a decrease in the recoverable amount of segment assets

Also, the deferred tax assets allocated to this segment were derecognized by €-75 million (which includes those corresponding to investments accounted for using the equity method).

The recoverable amount of assets impaired in the period stood at €9,383 million.The carrying amount of the cash-generating units of the segment[23] after recognizing the impairment stood at €12,556 million.

Industrial, and Commercial and Renewables assets

An impairment loss before tax of €212 million (net of the provision for onerous charges) recognized for the Gas & Trading business in North America (mainly the Canaport regasification plant and the gas pipelines for transporting gas in Canada and the US) was reversed due to lower procurement costs (lower future gas prices) and transport costs (contracts renegotiated during the year).

Deferred tax assets have also been impaired by €-113 million (see Note 22).

With regard to the rest of the assets of the Industrial, and Commercial and Renewables segments, the new scenarios assumed, in the context of decarbonization and energy transition, consider an environment marked by a reduction in the demand for oil products and fuels, and an increase in the expected cost of CO_2 emissions. The quality of the assets and the capacity of the business models to adapt to the new environment and the new strategic approach means that, even in the new and demanding scenarios, no impairment losses were observed during the year.

20.2) Sensitivities

The changes in estimated future prices or discount rates used would affect the amount of the impairment of the Repsol Group assets. The principal sensibilities to these variations without taking into account the rebalancing of other related variables or the possible adjustments of the operative plans, which would allow the negative impact of the above mentioned variations to be mitigated, are indicated in the table below:

[21] In 2019 provisions, net of reversals, amounted to €6,111 million before tax (€4,867 million after tax)
[22] This relates to the impairment losses recognized under "*Goodwill*", "*Other intangible assets*", "*Property, plant and equipment*" and "*Investments accounted for using the equity method*" before tax.
[23] Includes investments accounted for using the equity method. Does not include goodwill or the carrying amount of exploratory assets.

	Increase (+) / decrease (-)	€ Million [1]	
		Operating income	Net income
Change in hydrocarbons prices	+10%	938	1,188
	-10%	(2,190)	(2,186)
Change in hydrocarbons production	+5%	494	647
	-5%	(1,122)	(1,135)
Change in hydrocarbons prices and production	+10%	1,962	2,213
	-10%	(3,835)	(3,913)
Changes in the margins of Industrial, and Commercial and Renewables	+5%	44	33
	-5%	(213)	(169)
Change in discount rate	+100 b.p.	(1,034)	(915)
	-100 b.p.	425	474

(1) Includes impact on investments accounted for using the equity method.

20.3) Geopolitical risks

Repsol is exposed to risks arising in countries that may present specific economic, social and political circumstances that may have a negative impact on its businesses (unexpected regulatory changes; highly volatile exchange rate; high inflation; possibility of economic and financial crises or political instability or social tensions and public unrest, etc.) and that may have a negative impact on its business.

According to the ratings in the Country Risk Rating of IHS Global Insight, among others, the Repsol Group is exposed to a particular geopolitical risk in Venezuela, Libya and Algeria.

Venezuela

Repsol has a presence in Venezuela through its shareholdings in mixed oil companies and gas licensees. The current situation of crisis in the country generates increased uncertainty regarding business performance. To assess the recoverability of the investments in this country, which include both the investment in the share capital of the companies and the financing granted through loans and trade receivables, it is necessary to use certain hypotheses and assumptions (such as asset development plans, compliance with the agreements signed and changes in the environment) which involves judgements and estimates that may vary from those initially made (see Notes 10 and 13).

Repsol's equity exposure[24] in Venezuela at December 31, 2020 amounted to €320 million, (€239 million at December 31, 2019) which includes mainly the financing granted to its Venezuelan subsidiaries (see Note 8 and 14).

In 2020, the situation of political instability, economic recession (GDP[25] dropped by 35.5% in 2020) and inflation (3,000%[26] in 2020 and it is expected to be 1,000% in 2021) continues and, therefore, the State of Economic Emergency has been extended. Oil production has declined significantly in recent years. There was a significant devaluation of the Venezuelan currency against the euro (€1,359,495/BsS compared to €52,231/BsS at December 31, 2019, the SIMECA[27] exchange rate) with no significant impact on the Group's financial statements, since the functional currency of its subsidiaries in the country is the US dollar, except in the case of Quiriquire Gas[28] (see Note 13).

With regard to international sanctions affecting the Venezuelan government and PDVSA and its subsidiaries, noteworthy of mention is the inclusion in 2020 of various entities, individuals and vessels on the "Specially Designated Nationals and Blocked Persons List" (SDN List) administered by the US government's Office of Foreign Assets Control (OFAC), as they were considered to be responsible for activities that violated or attempted to evade US sanctions against Venezuela, as well as the announcement made on November 17 by the US government that the OFAC General License 8F (now 8G) would be extended with regard to the oil company Chevron and four other US companies in the hydrocarbon sector. However, although these companies will not be able to extract, sell or transport Venezuelan oil, hire additional personnel or pay any dividends to PDVSA or its subsidiaries, they will be able to continue activities aimed at limited maintenance of their operations that are essential for the security or preservation of the assets until June 3, 2021.

Repsol has adopted the measures necessary to continue its activity in Venezuela, with full respect of the applicable international regulations regarding sanctions, including US regulations in relation to Venezuela, and is constantly monitoring

[24] Equity exposure relates to the value on the Group's balance sheet of net consolidated assets exposed to own risks of the countries reported.
[25] Source: Estimate from the International Monetary Fund.
[26] National Price Index of the National Assembly (INPCAN).The Central Bank of Venezuela has not officially released a cumulative inflation figure since 2016.
[27] SMC (Foreign Exchange Market System) reference exchange rate.
[28] The functional currency of Quiriquire Gas is the bolivar (the carrying amount of the investment is non-existent, so any effect arising from the translation of the bolivar to the euro is not significant).

its development and, therefore, any possible effects it may have on these activities. However, if the current situation continues over the long term or if there are further changes in US policies, our activities in Venezuela could be affected.

The Group assesses the recoverability of its investments and the credit risk on accounts receivable from PDVSA.

With regard to financial instruments, expected loss is calculated by considering the cash flow scenarios expected for the business, weighted by their estimated probability. Three LGD scenarios (moderate, significant and severe) are applied with different assumptions and economic impacts on the estimated cash flows. The probability of occurrence of these scenarios is weighted according to the historical information of sovereign defaults (Moody's Report: "Sovereign Default and Recovery Rates, 1983-2019") and Management's expectations. The estimation of the cash flow scenarios is consistent with those used for the purpose of calculating the recoverable amount of the assets. The assessment of credit risk impairment in Venezuela required estimates of the implications and evolution of a highly uncertain environment, which made it advisable to have an independent expert to validate Management's judgements.

As a result, in 2020 the Group recognized impairment for the credit profile of PDVSA and for the deterioration of the business environment in Venezuela, which affects the value of the financing instruments and accounts receivable from PDVSA (€-70 million) as well as the value[29] of the investments accounted for using the equity method (€-5 million).

Libya

Repsol's equity exposure in Libya as of December 31, 2020 amounts to about €289 million (including primarily property, plant and equipment at that date).

Repsol has operated in Libya since the 1970s when it started exploring in the Sirte Basin. As of December 31, 2020, Repsol has acreage on two contractual areas (namely, NC115 and NC186) with exploration and production activities located in the Murzuq basin in the Sahara desert and whose proved reserves at December 31, 2020 amount to 95.9 million barrels of oil equivalent.

Libya’s political situation has entered a new phase since September with the joint declaration of a ceasefire agreed between the GNA (government officially established in Tripoli and supported by the United Nations) and the LNA (Libyan National Army) with the endorsement of the international community. On February 5, 2021, the Libyan Political Dialogue Forum (LDPF), sponsored by the UNSMIL (United Nations Support Mission for Libya), achieved a major breakthrough: the creation of a transitional government that will lead the country until elections in December 2021. The Forum, composed of 75 elected officials from all over Libya, elected Mohammad Younes Menfi, a former diplomat, as president of the new government, and Abdul Hamid Mohammed Dbeibah, a businessman from Misrata, as the new prime minister, while Mossa Al-Koni and Abdullah Hussein Al-Lafi will be vice-presidents. The new list defeated the one that a priori started out as the favorite, headed by the president of the Parliament in Tobrouk, Aquilah Saleh. This new government must form a Cabinet that is representative of various regions and interests in order to reconcile the country.

Production at the El Sharara Field, which had been discontinued since January 19, was restored on October 11, 2020. Repsol's net crude oil production in 2020 amounted to 9.35 thousand barrels of oil per day (vs. 29 thousand barrels of oil per day during the same period in 2019).

Algeria

Repsol's equity exposure in Argelia at December 31, 2020 amounted to about €434 million (including mainly property, plant and equipment at that date). This was lower than at December 31, 2019 after the impairment recognized in profit and loss (see Note 20.1).

In Algeria, Repsol has three blocks in the production/development phase (Reggane Nord, block 405a (with the MLN, EMK and Ourhoud licenses) and Tin Fouyé Tabankort II (TFT)).

Net average production in Argelia in 2020 came to 25,9 thousand barrels of oil equivalent per day (31.5 kboe in 2019) from Reggane Nord, block 405a and TFT.

The estimated net proved reserves at December 31, 2020 amount to 45.4 million barrels of oil equivalent. Around 50% of the net proved reserves refer to the gas production project at Reggane, which is located in the Algerian Sahara in the Reggane basin. Repsol holds a 29.25% interest in the consortium that is to develop the project alongside the Algerian state-owned company Sonatrach (40%), Germany’s RWE Dea AG (19.5%), and Italy’s Edison (11.25%). The net production of the Reggane project in 2020 amounted to 7.9 thousand barrels of oil equivalent per day.

[29] Recognized under “*Provision for/(Reversal of) provisions for impairment*” (see Note 20.1) and “*Impairment of financial instruments*” (see Note 21) in the income statement.

Following the election of Abdelmayid Tebboune in the elections called in December 2019, Algeria has started a process of political and economic reform, which means that the rules are constantly evolving and changing. The economic and social situation of the country was complicated by the Covid-19 pandemic and the drop in price of crude oil and gas, and political instability has continued despite the election of President Tebboune.

BREXIT

In the referendum held on June 23, 2016, the United Kingdom approved its exit from the European Union. After the absolute majority victory of the conservative party in the elections on December 12, 2019, Parliament voted in favor of the draft bill of the withdrawal agreement, which was finally approved. The UK left the EU on January 31, 2020, following the agreement ratified by both the EU and the House of Commons. A transitional period was established until December 31, 2020, during which the United Kingdom remained in the European market. As of January 1, 2021 the relationship between the UK and the European Union is based on the "Trade and Cooperation Agreement".

The Group's exposure in the United Kingdom is limited mainly to its interest in Repsol Sinopec Resources UK Limited (RSRUK), which operates a mature business engaging in hydrocarbon exploration and production activities and whose functional currency is the US dollar, meaning that even under the most extreme Brexit scenarios no significant risks have been detected.

With regard to the extraction, transport and sale of hydrocarbons, no substantial changes are expected, as the British government has always had sovereignty and control over the key aspects for the sector, such as the licensing of mineral concessions and the tax framework for the activities of oil companies. The messages received by the sector during the Brexit process is one of regulatory stability.

The European Union Emission Trade System (EU ETS)[30] was affected by BREXIT, due to the fact that the European Commission decided to suspend any free allocation of benefits involving the United Kingdom. After signing the exit agreement, it was announced that effective as of January 1, 2021, the United Kingdom's own emission allowances market (UK ETS) will replace the current European emission allowances market (EU ETS). The economic impact of this is still unknown.

(21) Financial result

The financial result has improved compared to 2019 mainly due to the exchange gains recognized as a result of the weakening of the dollar against the euro and the favorable valuation of derivatives on treasury shares (options, see Note 9).

The breakdown of financial income and expenses in 2020 and 2019 is as follows:

€ Million	**2020**	**2019**
Financial income	96	148
Financial expenses	(340)	(391)
Net interest [(1)]	**(244)**	**(243)**
By interest rate	29	59
By exchange rate	(293)	98
Other positions	116	59
Change in fair value of financial instruments [(2)]	**(148)**	**216**
Exchange gains/(losses) [(3)]	**406**	**(27)**
Impairment of financial instruments	**57**	**6**
Adjustment for provision discounting	(82)	(105)
Interim interest	86	78
Financial restatement of lease liabilities	(200)	(185)
Gains/(losses) on disposal of financial instruments		—
Others	(16)	(41)
Other financial income and expenses	**(212)**	**(253)**
FINANCIAL RESULT	**(141)**	**(301)**

(1) Includes interest income from financial instruments valued at amortized cost in the amount of €96 million (€146 million in 2019).
(2) Includes the results from the valuation and settlement of derivative financial instruments (see Note 9). "*Other provisions*" includes the results from the settlement of derivatives on treasury shares (see Note 6.2).
(3) Includes the exchange gains and losses generated by the valuation and settlement of monetary items in foreign currency. The improvement compared

[30] Under the multilateral trading system for greenhouse gas emissions, each Member State has a National Emission Allowance Allocation Plan that specifies a basket of greenhouse gas emissions, so that in order to comply with the Plan, companies can reduce their emissions by adjusting to the allowances allocated free of charge or turning to the market to cover their deficit.

to 2019 is explained by exchange gains arising from the impact of changes in the exchange rate of the dollar in the period on financing instruments.

(22) Taxes

The appropriate assessment of the income tax expense is dependent on several factors, including estimates on the timing and realization of deferred tax assets and the timing of income tax payments. Collections and payments may be materially different from these estimates as a result of changes in the expected performance of the Company's businesses or in tax regulations or their interpretation, as well as unforeseen future transactions that impact the Company's tax balances

Deferred tax assets are only recognized when it is considered probable that the entities (individually or on a consolidated basis) that have generated them will have sufficient taxable income in the future against which they can be utilized.

Deferred tax assets are reviewed when there are indications of impairment, and in any event once a year, to verify that they still qualify for recognition and they are considered to be recoverable in the future, and the appropriate adjustments are made on the basis of the outcome of the analyses performed. These analyses are based on: (i) assumptions made to analyze the existence or otherwise of sufficient future earnings for tax purposes that might offset the tax losses or apply existing tax credits, based on the approach used to ascertain the presence of indications of impairment on its assets; (ii) the assessment of earnings estimates for each entity or tax group in accordance with their individual business plans and the Group's overall strategic plan; and (iii) the statute of limitations period and other utilization limits imposed under prevailing legislation in each country for the recovery of the tax credits.

22.1) Applicable taxes

With regard to taxation and, particularly, income tax, the Repsol Group is subject to the legislation of several tax jurisdictions due to the broad geographic mix and the relevant international nature of the business activities carried out by the companies comprising the Group.

For this reason, the Repsol Group's effective tax rate is shaped by the breakdown of earnings obtained in each of the countries where it operates and, on occasion, by the taxation of said profits in more than one country (double taxation).

a) In Spain

Most of the entities resident in Spain for tax purposes are subject to taxation under Spain’s consolidated tax regime. Under this regime, the companies comprising the tax group jointly determine the Group’s taxable profit and tax liability.

Repsol, S.A. is the parent of Consolidated Tax Group 6/80, which comprises all of the companies resident in Spain that are at least 75%-owned, directly or indirectly, by the parent and that meet certain prerequisites. The aforementioned Consolidated Tax Group was composed of 82 companies in 2020, the most significant of which are: Repsol, S.A., Repsol Petróleo, S.A., Repsol Trading, S.A., Repsol Química, S.A., Repsol Butano, S.A., Repsol Exploración, S.A., Repsol Comercial de Productos Petrolíferos, S.A. and Repsol Electricidad y Gas, S.A.

Elsewhere, Petróleos del Norte, S.A. (Petronor) is the parent of Consolidated Tax Group 02/01/B, to which the special regional tax regulations of Vizcaya for corporate income tax purposes is applied.

The rest of the companies resident in Spain for tax purposes that are not included in either of the above tax groups determine their income tax individually.

The Spanish companies have been taxed at the general rate of 25% in 2020, regardless of whether they pay tax as part of a tax group or individually. Exceptionally, Repsol Investigaciones Petrolíferas, S.A., which files its taxes on an individual basis under the special hydrocarbon regime, is taxed at 30%, and the Petronor group, which applies the regime of Vizcaya, is taxed at 24%.

b) Other countries

The rest of the Group companies are subject to taxation in each of the countries in which they do business, applying the prevailing income tax rate under applicable local tax regulations. Group companies in some countries are also subject to a tax on their presumed minimum income in addition to income tax.

In turn, the Group companies resident in Spain that conduct some of their business in other countries are also subject to prevailing income tax in those countries in respect of the profits generated outside Spain. This is the case, for example, with the permanent establishments of the Spanish companies that carry out hydrocarbon exploration and production activities in other countries (including Libya, Algeria, Peru and Ecuador).

Below is a list of the statutory income tax rates applicable in the Group's main tax jurisdictions:

Country	Tax rate	Country	Tax rate
Algeria [1]	38 %	Norway	78 %
Bolivia	25 %	Netherlands	25 %
Brasil	34 %	Peru	29,5%
Canada [2]	25 %	Portugal	22.5% - 31.5%
Colombia	32 %	United Kingdom	40 %
Ecuador	25 %	Russia	20 %
United States [3]	21 %	Singapore	17 %
Indonesia	32.5% - 44%	Trinidad and Tobago	55% - 57.2%
Libya	65 %	Venezuela	34% (Gas) and 50% (Oil)
Malaysia	38 %	Vietnam	32% - 50%
Mexico	30 %		

(1) Plus tax on exceptional profits (TPE).
(2) Federal and provincial rate.
(3) Does not include state taxes.

22.2) Accrued income tax expense

The table below shows how the accrued income tax expense for accounting purposes in 2020 and 2019 was calculated:

	€ Million	
	2020	**2019**
Current tax (expense)/income for the year	(105)	(948)
Adjustments to current tax [1]	13	(184)
Current income tax (expense)/income (a)	**(92)**	**(1,132)**
Deferred tax (expense)/income for the year	296	979
Adjustments to deferred tax [2]	(220)	(435)
Deferred income tax (expense)/income (b)	**76**	**544**
Income tax (expense)/income(a+b)	**(16)**	**(588)**

(1) Includes changes in tax provisions amounting to €-51 million and other current tax adjustments amounting to €37 million.
(2) Includes the derecognition of deferred tax assets amounting to €-236 million and other deferred tax adjustments amounting to €16 million.

The reconciliation of "*Income tax expense*" recognized and the expense that would result from the application of the nominal income tax rate existing in the country of the parent company (Spain) to the net income before tax and investees is as follows:

	€ Million	
	2020	**2019**
Profit before income tax	**(3,304)**	**(3,201)**
Profit of investments accounted for using the equity method	(609)	351
Profit before income tax and profit of investments accounted for using the equity method	**(2,695)**	**(3,552)**
General nominal income tax rate in Spain	25 %	25 %
Income tax (expense)/income at the general nominal rate in Spain	**674**	**888**
Additional income tax (expense)/income due to adjustments to nominal rates other than the general rate in Spain [1]	83	(385)
Increased income tax expense from non-deductible expenses [2]	(644)	116
Lower income tax expense due to application of mechanisms to avoid double taxation [3]	45	(620)
Lower income tax expense due to application of tax credits and incentives [4]	77	67
Income tax (expense)/income due to adjustments for deferred taxes [5]	(236)	(536)
Income tax (expense)/income due to provision/reversion of provisions for income tax risks	(51)	(85)
Other items	36	(33)
Income tax (expense)/income	**(16)**	**(588)**

(1) Profit taxed abroad or in Spain at rates other than 25% (special hydrocarbons regime, regional regimes, etc.).
(2) Corresponds mainly to accounting provisions that are not tax deductible (the most noteworthy were those for impairment of assets described in Note 20).
(3) Includes mechanisms to prevent international and internal double taxation, whether in the form of exemptions, tax relief and tax credits.
(4) Mainly relates to tax credits in Spain for R&D and other tax credits.
(5) Includes the derecognition of deferred tax assets (€236 million in 2020) that have not passed the recoverability test in the new scenarios of lower oil and gas prices used in calculating the recoverable amount of the assets (see Note 20).

22.3) Deferred taxes

The Group presents deferred tax assets and liabilities on a net basis in the same taxable entity. The breakdown of the deferred tax assets and deferred tax liabilities by underlying concept recognized in the accompanying balance sheet is shown below:

€ Million	**2020**	**2019**
Tax losses, tax credits and similar benefits not yet used	3,122	3,193
Amortization differences for tax and accounting purposes	(1,214)	(1,648)
Provisions for field decommissioning (non-deductible)	543	617
Staff and other non-deductible provisions	476	555
Other deferred taxes	252	507
Total deferred tax	**3,179**	**3,224**
Provisions for contingencies related to income tax[1]	(1,576)	(1,549)
Net deferred tax and other taxes	**1,603**	**1,675**

[1] The changes in provisions for contingencies related to income tax is as follows: (i) provisions/reversals charged to profit or loss, €-51 million; (ii) reclassifications/payments, €42 million; and (iii) translation and other differences, €-18 million.

The tax assets recognized corresponding to tax losses and tax loss carryforwards amount to €3,122 million and correspond mainly to:

Country	€ Million	Legal expiry	Estimated recoverability
Spain	2,003	No time limit	In less than 10 years
United States	808	20 years	Mostly in 10 years
Luxembourg	131	No time limit	In less than 10 years
Other	180	-	-
Total	**3,122**		

Below is a breakdown of changes in deferred tax:

€ Million	**2020**	**2019**
Opening balance for the year	**3,224**	**2,863**
Impact of the new standards	—	13
Adjusted opening balance	**3,224**	**2,876**
Income (expense) in income statement	58	550
Income (expense) in equity	—	(7)
Translation differences for balances in foreign currency	(101)	(41)
Other items	(2)	(154)
Balance at year end	**3,179**	**3,224**

In 2020, following the review performed by the Group, the new scenarios of prices determined for the asset impairment test made it difficult to justify the full recovery of certain deferred tax assets (see Note 3.6), in particular in Canada (see Note 20) and, therefore, the Group has reduced the deferred tax assets recognized by €236 million (does not include impairment losses on joint ventures, see Note 13 and 20).

The Group had deferred tax assets not recognized of €5,021 million at year-end 2020, mainly in Luxembourg (€3,458 million, most of which has no limitation period), the US (€585 million, valid between 2028 y 2037), Canada (€520 million, valid between 2031 y 2040) and Spain (€200 million, without a limitation period). The amount for 2019 totaled €3,885 million.

The Group has unrecognized deferred tax liabilities of €113 million and €95 million at year-end 2020 and 2019, respectively. This mainly relates to taxable temporary differences associated with investments in subsidiaries, associates and permanent establishments that qualify for the exemption provided for under IAS 12.

22.4) Government and legal proceedings with tax implications

In accordance with prevailing tax legislation, tax returns cannot be considered final until they have been audited by the tax authorities or until the statute of limitations period in each tax jurisdiction has expired.

The time frame for which the Group companies have their tax returns open for audit with regard to the main applicable taxes are as follows:

Country	**Years**	**Country**	**Years**
Algeria	2016 - 2020	Malaysia	2015 - 2020
Australia	2016 - 2020	Norway	2018 - 2020
Bolivia	2015 - 2020	Netherlands	2019 - 2020
Canada	2014 - 2020	Peru	2016 - 2020
Colombia	2015 - 2020	Portugal	2017 - 2020
Ecuador	2017 - 2020	United Kingdom	2014 - 2020
Spain	2017 - 2020	Singapore	2016 - 2020
United States	2017 - 2020	Trinidad and Tobago	2015 - 2020
Indonesia	2015 - 2020	Venezuela	2014 - 2020
Libya	2013 - 2020		

Whenever discrepancies arise between Repsol and the tax authorities with respect to the tax treatment applicable to certain operations, the Group behaves towards the authorities in a transparent and cooperative manner in order to resolve the resulting controversy, using the legal avenues available with a view to reaching non-litigious solutions. However, as in prior years, this year there are administrative and legal proceedings with tax implications that may have an adverse impact on the Group's interest and that have given rise to litigation proceedings that could result in additional tax liabilities. Repsol believes that it has acted lawfully in handling the foregoing matters and that its defense arguments are underpinned by reasonable interpretations of prevailing legislation, to which end it has lodged appeals as necessary to defend the interests of the Group and its shareholders.

It is difficult to predict when these tax proceedings will be resolved due to the extensive appeals process. Based on the advice received from in-house and external tax experts, the Company believes that the tax liabilities that may ultimately derive from these proceedings will not have a significant impact on the accompanying financial statements.

As a general rule, the Group recognizes provisions for tax-related proceedings that it deems it is likely to lose. The amounts to be provisioned are calculated on the basis of the best estimate of the amount needed to settle the lawsuit in question, underpinned, among others, by a case-by-case analysis of the facts, the legal opinions of its in-house and external advisors and prior experience from past events in these matters.

In view of the uncertainty generated by the materialization of existing tax risks associated with litigation and other tax contingencies, the Group has recognized provisions that are considered adequate to cover the aforementioned risks. At December 31, 2020, the Group had recognized €1,576 million relating to uncertain income tax positions (€1,549 million at December 31, 2019). In addition, it recognized other tax provisions amounting to €101 million (€131 million at December 31, 2019), which are presented under "*Other provisions*" in Note 15.

At December 31, the main tax-related proceedings concerning the Repsol Group were as follows:

Bolivia

YPFB Andina, S.A. is involved in a lawsuit regarding the deductibility of royalty payments and hydrocarbon shares from the Company's income tax. A judgment has been handed down at first instance, rejecting the company's claim; the lawsuit is currently awaiting a ruling at second stage. The Company believes, despite the ruling handed down at first instance in 2019, that its position is expressly supported by law.

Brazil

Petrobras, as operator of the Albacora Leste, BMS 7, BMES 21 and BMS 9 consortia (in which Repsol has a 10%, 37%, 11% and 25% interest, respectively) received diverse tax assessments (IRRF, CIDE and PIS/COFINS)[31] for tax years 2008 to 2013, in connection with payments to foreign companies for charter contracts for exploration platforms and related services used for activities in the blocks.

Likewise, Repsol Sinopec Brasil received assessments for the same items and taxes (tax years 2009 and 2011), in connection with payments to foreign companies for contracts for exploration charters and related services used in blocks BMS 48, BMS 55, BMES 29 and BMC 33, in which Repsol Sinopec Brasil is the operator.

[31] IRRF: Imposto de Renda Retido na Fonte (Withholding tax), CIDE: Contribuição sobre Intervenção no Domínio Econômico (Contribution on Economic Activities), PIS: Programa de Integração Social (Social Integration Program) and COFINS: Contribuição para o financiamento da seguridade social (Contribution for Social Security Financing).

These lawsuits are currently limited to CIDE and PIS/COFINS, after the company availed itself of a program authorized by Law 13,586/17, which made it possible to reduce the amount in dispute regarding personal income tax (IRRF) through the retroactive application of the price determination percentages (split) contained in this Law, abandoning the lawsuits in progress and without any penalties being applicable.

All these assessments have been appealed in administrative or court proceedings (at first or second instance), with a favorable ruling at second instance. The Company considers that it has acted in accordance with the law and in line with general practice in the sector.

Canada

The Canadian Revenue Agency (CRA) periodically reviews the tax situation of the companies of Repsol Oil & Gas Canada Inc. (ROGCI, formerly Talisman Group, acquired by Repsol in 2015) resident in Canada. In recent years, and by applying good tax practices, Repsol has obtained a rating for ROGCI as a low-risk taxpayer, which has allowed it to reach agreements with the CRA. In 2020, the tax audit of international operations for tax years 2011, 2012 and 2013 was concluded with an agreement reached and without any significant impact for the Group. International operations from 2014 and 2015 and corporate income tax for 2015 and 2016 are currently being audited.

Spain

Proceedings relating to the following corporate income tax years are still open.

– Financial years 2006 to 2009. The matters discussed relate mainly to transfer prices, deduction of losses for investments abroad and deductions for investments, the majority of them as a result of changes in the criteria maintained by the Administration in previous actions. In relation to the transfer price adjustments, the settlements were annulled as a consequence of the resolution of a dispute by the Arbitration Board of the Economic Agreement with the Basque Country, the resolution of an amicable procedure with the US and two rulings handed down by the Central Economic Administrative Tribunal; the tax authorities issued a new assessment for the 2007-2009 period applying the criteria already accepted in subsequent years by the Administration and the taxpayer (the assessment for 2006 is still pending). In relation to the other matters, the Central Economic Administrative Court partially upheld the Company's appeal, and the Company has appealed to the National High Court with regard to the aspects that were not upheld (tax incentives for R&D, deduction of losses on overseas business), as the Company believes it has acted within the law.

– Financial years 2010 to 2013. The actions were concluded in 2017 without any penalties being imposed and, for the large part, by means of assessments signed on an uncontested basis or agreements from which no significant liabilities have arisen for the Group. However, with regards to two issues (deductibility of interest for the late payment of taxes and the deduction of losses on overseas business), the administrative decision has been subject to appeal, as the Company believes it has acted within the law. The Central Economic Administrative Tribunal has rejected this claim. An appeal for judicial review has been lodged with the National Appellate Court against the ruling of the Central Economic Administrative Tribunal.

– Financial years 2014 to 2016. The audit ended in December 2019 without the imposition of any penalty and, for the most part, with assessments signed on an uncontested basis or agreements that did not generate significant liabilities for the Group. However, there are still disputes regarding the deduction of losses for foreign investments and the corresponding claim has been filed against the administrative ruling, since the Company believes that its actions have been in accordance with the law.

Indonesia

The Indonesian tax authorities have been questioning various aspects regarding the taxation of the profits of the permanent establishments that the Group has in the country, in particular with regard to the application of the reduced rate of the double taxation treaties signed by Indonesia. The company considers that its actions are in line with general practice in the sector and are in accordance with the law and, therefore, the disputes on which the aforementioned actions are based are being appealed through administrative proceedings or a ruling has yet to be handed down by the courts.

Malaysia

Repsol Oil & Gas Malaysia Ltd. and Repsol Oil & Gas Malaysia (PM3) Ltd., the Group's operating subsidiaries in Malaysia, have received tax assessments from the Inland Revenue Board (IRB) with regard to tax years 2014, 2015 and 2016 questioning the deductibility of certain expenses. The assessments were appealed as the Company considered that its actions were in accordance with the law.

The Company does not expect any additional liabilities to arise that could have a significant impact on the Group's profit as a result of the above proceedings.

(23) Earnings per share

The earnings per share at December 31, 2020 and 2019 are detailed below:

Earnings per share (EPS)	**2020**	**2019**
Net income attributed to the parent (€ million)	(3,289)	(3,816)
Adjustment to the interest expense on subordinated perpetual bonds (€ million)	(54)	(29)
Weighted average number of shares outstanding (millions of shares) [1]	1,572	1,649
Basic and diluted earnings per share (euros/share)	(2.13)	(2.33)

[1] The outstanding share capital at December 31, 2019 came to 1,527,396,053 shares, although the average weighted number of shares outstanding for the purposes of calculating earnings per share on said date includes the effect of capital increases undertaken as part of the "*Repsol Flexible Dividend*" shareholder remuneration program, as per the applicable accounts regulations (see Note 3.2).

CASH FLOWS

(24) Cash flow

24.1) Cash flow from operating activities

During 2020 the cash flow from operating activities amounted to €2,738 million compared to €4,849 million in 2019. The decrease was due mainly to lower crude oil prices and lower demand for products, and therefore to lower volume in many of the Group's businesses as a result of the international crisis triggered by COVID-19 (see Note 2.3). The lower revenue was partly offset by the effect on working capital of the lower cost of inventories (price of inventories in the industrial businesses) and by lower tax payments.

The breakdown of *"Cash flows from operating activities"* in the statement of cash flows is as follows:

	Notes	€ Million 2020	2019
Net income before tax		**(3,304)**	**(3,201)**
Adjusted result:		**5,074**	**8,632**
Amortization of non-current assets	3, 11 and 12	2,207	2,434
Operating provisions	10.3, 15 and 20	2,204	6,600
Net income from the disposal of assets		(102)	(147)
Financial result	21	141	301
Share of results of companies accounted for using the equity method, net of taxes	13	609	(351)
Other adjustments (net)		15	(205)
Changes in working capital:		**1,000**	**137**
Increase/Decrease in accounts receivable	17	985	276
Increase/Decrease in inventories	16	1,525	(182)
Increase/Decrease in accounts payable	18	(1,510)	43
Other cash flows from operating activities:		**(32)**	**(719)**
Dividends received		183	464
Income tax refunded/(paid) [1]		100	(975)
Other proceeds from/(payments for) operating activities [2]		(315)	(208)
Cash flows from operating activities		**2,738**	**4,849**

[1] In 2020, of particular note were corporate income tax refunds in Spain and Norway. In 2019, the tax payments in Spain (installment payments for tax group 6/80), Libya and Indonesia are noteworthy of mention. For further information on the Group's tax contribution, see section 8.6 of the 2020 consolidated Management Report and Appendix III *"Responsible tax policy"*.
[2] Includes mainly payments for the application of provisions (see Note 15).

24.2) Cash flows from investing activities

During 2020 the net cash flow from investing activities resulted in the net payment of €222 million.

"(Payments for)/proceeds from investments in Group companies and associates" includes €878 million for the tax refund (income tax prepayment) attributed to the divestment in Naturgy in May 2018 and the compensation for the divestment in Vietnam (see Note 14).

"*(Payments for)/proceeds from investments in property, plant and equipment, intangible assets and investment property*" (€(1,782) million) decreased significantly with respect to the comparative period in line with reduction targets under the Resilience Plan, due to lower expenditure on assets in the Exploration and Production segment and the Industrial segment; with capital expenditure partially offset, however, in the new electricity businesses and renewable projects in the Commercial and Renewables segment.

"*(Payments for)/proceeds from investments in other financial assets*" reflected net disposals of €1,074 million through termination of time deposits in the period and the changes in loans extended to joint ventures.

24.3) Cash flows from financing activities

In 2020 the net cash flow from financing activities resulted in a net payment of €1,615 million which represents a decrease of 29.4% with respect to 2019 due to the net issuance of equity instruments (see Note 6) and debt (see Note 7) in 2020, lower purchases of own shares, lower cash payments to shareholders (who mostly chose to receive shares), and lower interest payments (lower borrowing costs) than in 2019.

In short, Cash and cash equivalents increased by €1,342 million compared to December 31, 2019 to reach €4,321 million. The strong cash position, a part of the Group's liquidity (see Note 10), allowed the Group to cope with the adverse international environment as a result of the COVID-19 pandemic.

The breakdown of the changes to liabilities linked to financing activities in 2020 is as follows:

	€ Million					
	2019	2020				
			Non-cash changes			
	Opening balance [(1)]	Cash flows	Exchange rate effect	Changes in FV	Others [(3)]	Closing balance [(1)]
Bank borrowings	2,245	(1,284)	(56)	—	32	937
Bonds and other marketable securities	7,920	(116)	(32)	—	179	7,951
Derivatives (liabilities)	118	(792)	27	979	12	344
Loans [(2)]	3,915	10	(362)	—	117	3,680
Other financial liabilities	136	(35)	(9)	—	7	99
Lease liabilities	3,133	(528)	(182)	—	568	2,991
Shareholder remuneration and perpetual bonds	1,137	540	—	—	362	2,039
Treasury shares and own equity instruments	(1,170)	(378)	—	—	1,386	(162)
Total liabilities from financing activities	**17,434**	**(2,583)**	**(614)**	**979**	**2,663**	**17,879**
Derivatives (assets)	(110)	887	(191)	(827)	1	(240)
Other proceeds from/payments for financing activities	73	81	—	—	(154)	—
Total other assets and liabilities	**(37)**	**968**	**(191)**	**(827)**	**(153)**	**(240)**
Total	**17,397**	**(1,615)**	**(805)**	**152**	**2,510**	**17,639**

(1) Corresponds to the current and non-current balance on the balance sheet.
(2) Includes loans to companies accounted for using the equity method.
(3) This mainly includes the capital reduction carried out during the year through the redemption of treasury shares amounting to €1,221 million (see Note 6.2), the increase in liabilities due to the addition of leases, and the accrual of interest and dividends.

The breakdown of the changes to liabilities linked to financing activities in 2019 is as follows:

	€ Million					
	2018	2019				
			Non-cash flow items			
	Opening balance [(1)]	Cash flows	Exchange rate effect	Changes in FV	Others [(3)]	Closing balance [(1)]
Bank borrowings	1,912	215	34	—	84	2,245
Bonds and other marketable securities	8,098	(365)	16	—	171	7,920
Derivatives (liabilities)	106	(466)	8	461	9	118
Loans (2)	3,449	276	66	—	124	3,915
Other financial liabilities	116	9	2	—	9	136
Lease liabilities	1,624	(425)	44	—	1,890	3,133
Shareholder remuneration and perpetual bonds	1,204	(396)	—	—	329	1,137
Treasury shares and own equity instruments	(350)	(1,844)	—	—	1,024	(1,170)
Total liabilities from financing activities	**16,159**	**(2,996)**	**170**	**461**	**3,640**	**17,434**
Derivatives (assets)	(77)	634	(5)	(662)	—	(110)
Other proceeds from/payments for financing activities	—	73	—	—	—	73
Total other assets and liabilities	**(77)**	**707**	**(5)**	**(662)**	**—**	**(37)**
Total	**16,082**	**(2,289)**	**165**	**(201)**	**3,640**	**17,397**

(1) Corresponds to the current and non-current balance on the balance sheet.
(2) Includes loans to companies accounted for using the equity method.
(3) This mainly includes the capital reduction carried out during the year through the redemption of treasury shares amounting to €1,024 million (see Note 6.2), the increase in liabilities due to the addition of leases, and the accrual of interest and dividends.

OTHER DISCLOSURES

(25) Commitments and guarantees

25.1) Contractual commitments

Commitments consist of future unconditional obligations (non-cancellable, or cancellable only under certain circumstances), as a result of commercial agreements. These commitments were quantified using Repsol's best estimates, and, if fixed total amounts were not stipulated, using price estimates and other variables that are consistent with those considered for calculating the recoverable amount of the assets (see Notes 3 and 20).

At December 31, 2020, the Group has contractually committed to the following purchases, investment and other expenditures:

€ Million	**2020**	**2021**	**2022**	**2023**	**2024**	**Subsequent years**	**Total**
Purchase commitments	**2,893**	**1,171**	**1,282**	**1,286**	**1,261**	**16,568**	**24,461**
Crude oil and others [(1) (3)]	1,962	435	370	372	360	3,166	6,665
Natural gas [(2) (3)]	931	736	912	914	901	13,402	17,796
Investment commitments [(4)]	**510**	**202**	**174**	**117**	**68**	**115**	**1,186**
Provision of services [(5)]	**400**	**287**	**213**	**141**	**102**	**256**	**1,399**
Transport commitments [(6)]	**181**	**166**	**156**	**96**	**73**	**295**	**967**
TOTAL	**3,984**	**1,826**	**1,825**	**1,640**	**1,504**	**17,234**	**28,013**

(1) Mainly includes the commitments for the purchase of products needed to operate the Group's refineries in Spain and the commitments assumed under crude oil purchase contracts with the Pemex Group (open-ended), with the Saudi Arabian Oil Company (renewed annually) and with the Repsol Sinopec Brasil Group (expires 2021) and with Overseas Petroleum and Investment Corporation (expires in 2021).

(2) Primarily includes commitments to purchase liquefied natural gas (LNG) in North America (with "take or pay" clauses). These contracts are classified for accounting purposes as "own use". Long-term firm commitments for the purchase and sale of gas and crude oil are analyzed to determine whether they correspond to the supply or marketing needs of the Group's normal business activities (own use), or whether, on the contrary, they should be considered a derivative and recognized in accordance with the criteria established in IFRS 9 (see Note 9).

(3) Committed crude oil and gas volumes are as follows:

Purchase commitments	Unit of measurement	2020	2021	2022	2023	2024	Subsequent years	Total
Crude oil	kbbl	28,892	186	187	183	180	483	30,111
Natural gas								
Natural gas	Tbtu	52	35	27	16	16	9	155
Liquefied natural gas	Tbtu	158	114	162	165	164	2,316	3,079

(4) Includes mainly investment commitments in Spain, Algeria, Norway, Chile and Bolivia amounting to €389 million, €161 million, €100 million and €80 million, respectively.

(5) Includes mainly commitments associated with hydrocarbon exploration and productions activities in Upstream totaling €745 million and commitments for technological developments amounting to €285 million.

(6) Includes, primarily, hydrocarbon transportation commitments in North America, Peru and Indonesia amounting to approximately €936 million.

25.2) Guarantees

In the course of its business activities, Repsol assumes guarantees of various types and content for third parties or companies whose assets, liabilities and earnings are not presented in the consolidated financial statements (joint ventures and associates). The guarantees cannot be considered a definite outflow of resources to third parties, as the majority of these guarantees will mature without any payment obligation arising. At the date of issue of these consolidated Financial Statements, the probability of a breach that would trigger a liability for these commitments to any material extent is remote.

At December 31, 2020, the most significant guarantees for the fulfillment of obligations are:

- For the rental of three floating production platforms for the development of the BMS 9 field in Brazil: (i) a guarantee for $475 million corresponding to 100% of RSB's obligations (see Note 13), for which Repsol holds a counter guarantee from China Petrochemical Corporation in respect of the latter's 40% interest in RSB; and (ii) two additional guarantees of $435 million and $400 million, corresponding to the 60% interest held by the Group in RSB. The guaranteed amounts are reduced annually until 2036, the date on which the contracts are completed.

- For 51% of the guarantees for the decommissioning of RSRUK in the North Sea, for £615 million.

In addition, in line with general industry practice, the Group grants guarantees and commitments to offset obligations arising in the ordinary course of business and activities, and for any liabilities arising from its activities, including environmental liabilities and for the sale of assets.

Guarantees granted in the ordinary course of business correspond to a limited number of guarantees totaling €61 million. In Venezuela an undetermined guarantee has been granted to Cardón IV to cover the commitment to supply gas to PDVSA until 2036. However, PDVSA has provided a guarantee to Cardón IV to cover collection rights for the supply commitment; the Group has also provided a guarantee to the Republic of Venezuela to cover the obligations assumed in the development of gas assets in the country.

Environmental guarantees are arranged in the normal course of hydrocarbon exploration and production operations, however, the probability of occurrence of the contingencies covered is remote and their amounts indeterminable.

Outstanding guarantees for asset sales, granted in accordance with general industry practice, are immaterial. Of recent note are those granted in the sale of LNG assets to Shell in 2015.

(26) Related party transactions

Repsol carries out transactions with related parties on an arm's length basis. The transactions performed by Repsol, S.A. with its Group companies and those performed by the Group companies among themselves form part of the Company's ordinary course of business in terms of their purpose and conditions.

For the purposes of presenting this information, the following are considered to be related parties:

a. Significant shareholders: at December 31, the Company's significant shareholders that are deemed related parties are:

Significant shareholders	Total as % of share capital December 31, 2020
Sacyr, S.A. [1]	8.034

Note: Data available to the Company at December 31, 2020 based on the most recent information furnished by Spain's central counterparty clearing house (Iberclear for its acronym in Spanish) and the information submitted by the shareholders to the Company and to the National Securities Market Commission (CNMV for its abbreviation in Spanish).

[1] Sacyr, S.A. holds its investment through Sacyr Securities, S.A.U., Sacyr Investments, S.A.U. and Sacyr Investments II, S.A.U.

b. Directors and executives: includes members of the Board of Directors as well as members of the Executive Committee, who are considered "*key management personnel*" for purposes of this section (see Note 28.4).

c. People, companies or entities within the Group: includes transactions with Group companies or entities that were not eliminated in the consolidation process, corresponding mainly to transactions undertaken with companies accounted for using the equity method (see Note 13).

Income, expenses and other transactions and balances recognized at December 31 with related party transactions are as follows:

€ Million	2020				2019			
EXPENSES AND REVENUE	Significant shareholders	Directors and executives [1]	People, companies or entities within the Group	Total	Significant shareholders	Directors and executives [1]	People, companies or entities within the Group	Total
Financial expenses	—	—	92	92	—	—	123	123
Leases	2	—	—	2	—	—	—	—
Services received	22	—	36	58	29	—	70	99
Purchase of goods [2]	—	—	738	738	—	—	1,192	1,192
Other expenses [3]	—	—	24	24	—	—	135	135
TOTAL EXPENSES	**24**	**—**	**890**	**914**	**29**	**—**	**1,520**	**1,549**
Financial income	—	—	81	81	—	—	124	124
Services provided	—	—	2	2	5	—	4	9
Sale of goods [4]	44	—	221	265	178	—	386	564
Other revenue	1	—	131	132	1	—	190	191
TOTAL REVENUE	**45**	**—**	**435**	**480**	**184**	**—**	**704**	**888**

€ Million	2020				2019			
OTHER TRANSACTIONS	Significant shareholders	Directors and executives [1]	People, companies or entities within the Group	Total	Significant shareholders	Directors and executives [1]	People, companies or entities within the Group	Total
Financing agreements: credit and contributions of capital (creditor) [4]	—	—	457	457	—	—	246	246
Financing agreements: loans and contributions of capital (borrower) [5]	—	—	872	872	—	—	903	903
Guarantees and sureties given [6]	—	—	637	637	—	—	654	654
Guarantees and sureties received	7	—	5	12	7	—	4	11
Commitments assumed [7]	56	—	90	146	11	—	1	12
Dividends and other profits distributed [8]	58	—	—	58	109	—	—	109
Other operations [9]	12	—	1,799	1,811	35	—	1,565	1,600

€ Million	2020				2019			
CLOSING BALANCES	Significant shareholders	Directors and executives [1]	People, companies or entities within the Group	Total	Significant shareholders	Directors and executives [1]	People, companies or entities within the Group	Total
Customer and trade receivables	2	—	101	103	2	—	128	130
Loans and credits granted	—	—	900	900	—	—	962	962
Other receivables	—	—	82	82	—	—	77	77
TOTAL RECEIVABLE BALANCES	**2**	**—**	**1,083**	**1,085**	**2**	**—**	**1,167**	**1,169**
Suppliers and trade payables	16	—	62	78	12	—	85	97
Loans and credits received	—	—	3,674	3,674	—	—	3,915	3,915
Other payment obligations [10]	28	—	—	28	3	—	2	5
TOTAL PAYABLE BALANCES	**44**	**—**	**3,736**	**3,780**	**15**	**—**	**4,002**	**4,017**

Note: In 2020 the tables for Expenses and Revenue and Other Transactions include transactions with the Temasek Group until April 16 (date of sale of the entire interest).

(1) Includes transactions performed with executives and directors not included in Note 28 on the remuneration received by executives and directors, and would correspond to the outstanding balance at the reporting date of the loans granted to members of senior management and the corresponding accrued interest, as well as dividends and other remuneration received as a result of holding shares of the Company.

(2) In 2020 "*People, companies or entities within the Group*" primarily includes products purchased from Repsol Sinopec Brasil (RSB) and from BPRY Caribbean Ventures LLC (BPRY), for the amount of €509 million and €85 million, respectively (€790 million and €223 million in 2019).

(3) Includes mainly supplies and provisions for credit risks of accounts receivable and financial instruments (see Note 10.3 and 20.3).

(4) In 2020 and 2019 "*Significant shareholders*" includes mainly the sales of crude oil to the Temasek group. In 2020 and 2019 "*Persons, companies or entities of the Group*" includes mainly sales of products to Iberian Lube Base Oil, S.A. (ILBOC) and Dynasol Group for €154 million and €57 million in 2020 and €257 million and €107 million in 2019, respectively.

(5) Includes loans granted and new provisions for credit facilities in the period, as well as capital contributions to Group companies with companies accounted for using the equity method.

(6) Includes primarily guarantees granted to joint ventures in the United Kingdom, issued in the ordinary course of business to cover obligations to decommission offshore platforms in the North Sea.

(7) Corresponds to purchase, investment or expense commitments acquired in the period (see Note 25).

(8) Include the amounts corresponding to the sale to Repsol, at the guaranteed fixed price, of bonus share rights as part of the bonus share issue closed in January and July 2020 (in the 2019 table: January and July 2019), as part of the "*Repsol Flexible Dividend*" shareholder remuneration program (see Note 6.3).

(9) In 2020 and 2019 "*People, companies or entities within the Group*" includes mainly the cancellations of guarantees provided to joint ventures in the UK and financing agreements.

(10) In 2020 and 2019 "*Significant shareholders*" includes the sale to Repsol, at the guaranteed fixed price, of the bonus share rights as part of the bonus share issue closed in January 2020 and 2019. These rights are recognized as accounts payable at December 31.

(27) Personnel obligations

27.1) Defined contribution pension plans

Certain employees in Spain have pension plans with defined contributions for retirement. In addition, certain Group companies outside Spain have defined contribution pension plans for their employees.

The annual cost charged to "*Personnel expenses*" in the income statement in relation to the defined contribution pension plans detailed above amounted to €52 million and €54 million in 2020 and 2019, respectively.

The Group's executives in Spain are beneficiaries of an executive pension plan that complements the standard pension plan known as "*Plan de previsión de Directivos*" (Executive welfare plan), which covers the participant's retirement, their full or total permanent disability, comprehensive disability and death. Repsol makes defined contributions based on a percentage of participants' salaries. The plan guarantees a fixed return equal to 125% the National Consumer Price Index for the previous year. The plan is instrumented through collective insurance policies underwritten by an insurance company that finances and outsources the commitments in respect of contributions and the fixed return mentioned above.

The cost of this plan recognized under "*Personnel expenses*" in the income statement in 2020 and 2019 amounted to €12 million and €10 million, respectively.

27.2) Defined benefit pension plans

Certain groups of employees have pension plans for the contingencies of full or total permanent disability, comprehensive disability and death, the insurance policies of which are taken out with an external entity. The total amount charged to the Group's income statement in 2020 and 2019 was €5 million and €11 million, respectively, while the provisions recognized on the balance sheet at year-end 2020 and 2019 stood at €81 million and €82 million, respectively (see Note 15).

27.3) Long-term variable remuneration

A loyalty building plan aimed at executives and other persons occupying positions of responsibility consisting of long-term incentives as part of their benefit package. The purpose of this program is to strengthen the link with shareholders' interests, based on the sustainability of medium and long-term results as well as compliance with the Strategic Plan, while at the same time facilitating the retention by the Group of key personnel.

At year end, the 2017-2020, 2018-2021, 2019-2022 and 2020-2023 plans were in force. The 2016-2019 plan was closed and its beneficiaries received their bonuses in 2020.

The four plans are independent of each other and fulfillment of the objectives tied to each plan allows its beneficiaries to receive an incentive in the first four months of the year following the last year of the plan. However, receipt is tied to the beneficiary remaining in the Group until December 31 of the last year of the plan, except in the special cases envisaged in the terms and conditions of the related plan.

The 2017-2020, 2018-2021 and 2019-2022 plans do not involve the delivery of shares or options, with the exception of the Chief Executive Officer, who is partially paid in shares. In this regard, the amount of the 2017-2020 Long-Term Incentive will be paid to the Chief Executive Officer in a proportion of 70% in cash and 30% in shares, so that he will receive €865,170 in cash and 19,337 Company shares equal to €163,574.

In accordance with the provisions of the current Directors Remuneration Policy, the final number of shares to be delivered to the Chief Executive Officer is calculated based on: (i) the amount that is effectively payable following application of the corresponding taxes (or withholdings); and (ii) the weighted average for the daily volume of weighted average Repsol share prices in the fifteen trading sessions before the Friday of the week preceding the date on which the Board of Directors agrees to pay the incentive of each of the Plans for the Chief Executive Officer.

Accordingly, the 2020-2023 plan corresponds to the new Long-Term Incentive Plans, which differs from the previous plans in that beneficiaries are entitled to receive a "*cash incentive*" and a certain number of "*Performance Shares*", which will entitle them to receive Repsol, S.A. shares at the end of the Plan's vesting period, subject to the performance of certain metrics.

To reflect these commitments assumed, a provision of €9 million and €20 million was recognized in 2020 and 2019, respectively. At December 31, 2020 and 2019, the provisions totaled €50 million and €67 million, respectively.

27.4) Share Purchase Plans for Beneficiaries of Long-Term Incentive and Share Acquisition Plans

i.) *"Share Purchase Plan for Beneficiaries of the Long-Term Incentive Plans"*

This Plan allows investments in shares of up to 50% of the gross amount of the Long-term Incentive to encourage its beneficiaries (including the Chief Executive Officer and the other Executive Committee members) to align themselves with the long-term interests of the Company and its shareholders. If the beneficiary maintains the shares for three years from the initial investment and the remaining conditions of the Plan are met, the Company will give the employee one additional share for every three initially acquired.

In the case of Senior Management, (the Chief Executive Officer and other Executive Committee members), they are subject to an additional performance requirement in order to receive these additional shares, namely overall fulfillment of at least 75% of the targets set in the Long-Term Incentive Plan closed in the year preceding that of delivery of the shares.

The following cycles of this Plan are currently in force:

	No. of shares	Total initial investment (no. of shares)	Average price (Eur/Share)	Maximum commitment for delivery of shares
Eighth cycle (2018-2021)	158	150,476	16.3021	50,160
Ninth cycle (2019-2022) (1)	201	246,508	14.4101	82,168
Tenth cycle (2020-2023) (2)	238	340,537	8.4935	113,512

(1) Includes 14,330 shares delivered to the Chief Executive Officer as a partial payment of the 2015-2018 Plan. In accordance with the provisions of the Directors Remuneration Policy, the shares delivered to the Executive Directors under each long-term variable remuneration plan may be calculated for the purposes of the investment in shares referred to in the Share Purchase Plan for the Beneficiaries of the Long-Term Incentive Plans.
(2) Includes 14.743 shares delivered to the Chief Executive Officer as a partial payment for the 2016-2019 Plan.

During this tenth cycle, the current members of the Executive Committee, including the Chief Executive Officer, have acquired a total of 135,532 shares.

As a result of this Plan, at December 31, 2020 and 2019, the Group had recognized an expense under "*Personnel expenses*" with a balancing entry under "*Other equity instruments*" in equity of €0.6 million.

In addition, the seventh cycle of the Plan (2017-2020) vested on May 31, 2020. As a result, the rights of 133 beneficiaries vested 39,780 shares (29,901 shares net of payment on account of the personal income tax). Specifically, the rights of the members of the Executive Committee and the Chief Executive Officer to 16,536 shares also vested (11,464 shares net of payment on account).

ii.) *"Share Acquisition Plans"*

Since 2011, various Share Acquisition Plans have been set up that were approved at the Annual General Meetings of April 15, 2011 (2011-2012 Share Acquisition Plan), May 31, 2012 (2013-2015 Share Acquisition Plan), April 30, 2015 (2016-2018 Share Acquisition Plan) and May 11, 2018 (2019-2021 Share Acquisition Plan).

These Plans are targeted at employees of the Group in Spain and enable those so wishing to receive a portion of their remuneration in shares up to an annual limit of €12,000. The shares to be delivered are valued at the closing share price on the continuous Spanish stock market on each date of delivery.

In 2020 the Group purchased 1,502,421 shares of Repsol, S.A. (643.458 shares in 2019) amounting to €12.2 million (€9.2 million in 2019) for delivery to employees (see Note 6).

The members of the Executive Committee acquired 11,856 shares in accordance with the plan terms and conditions in 2020.

iii.) "*Global Employee Share Purchase Plan: YOUR REPSOL*"

In 2020 the *YOUR REPSOL* Plan was launched, which allows all employees to allocate a certain amount of their remuneration to purchase Company shares and receive one free share for every two initially acquired, provided that the shares are held for a period of 2 years and the other conditions of the Plan are met.

Under the *YOUR REPSOL* Plan for 2020, the members of the Executive Committee acquired a total of 1,830 shares which, in accordance with the terms and conditions of the Plan, will entitle them to receive a total of 915 shares in February 2023.

The shares to be delivered under plans i.), ii.) and iii.) may come from Repsol's direct or indirect treasury shares, be newly issued or come from third parties with which agreements have been signed.

(28) Remuneration of the members of the Board of Directors and key management personnel

28.1) Remuneration of the members of the Board of Directors

a) Due to membership of the Board of Directors

In accordance with Article 45 of the Bylaws, the Directors, in their capacity as members of the Board and in exchange for discharging the supervisory and decision-making duties intrinsic to Board membership, are entitled to receive a fixed annual payment that may not exceed the ceiling established to this end at the Annual General Meeting or in the Directors Remuneration Policy; it is up to the Board of Directors to determine the precise amount payable within that limit and its distribution among the various Directors, factoring in the positions and duties performed by each within the Board and its Committees, the membership of the Committees, the positions held by each one of them on the Board and any other objective circumstance considered as relevant.

The upper limit established in the Directors Remuneration Policy approved at the Annual General Meeting held on May 31, 2019 is €8.5 million.

The remuneration accrued in 2020 for membership of the Board of Directors and with a charge to bylaw-stipulated emoluments amounted to €6.937 million, the detail being as follows:

	Remuneration of Board members relating to their position *(euros)*							
Board of Directors	Board	Delegate C.	Independent Lead Director	Audit C.	Appoints C.	Remun. C.	Sustain. C.	**Total**
Antonio Brufau Niubó [1]	(1)	(1)		—	—	—	—	2,500,000
Josu Jon Imaz San Miguel	176,594	176,594						353,188
Arantza Estefanía Larrañaga	176,594				22,074		44,149	242,817
María Teresa García-Milá Lloveras	176,594			88,297	22,074			286,966
Henri Philippe Reichstul	176,594	176,594						353,188
Mª del Carmen Ganyet i Cirera	176,594			88,297	22,074	22,074		309,040
Ignacio Martín San Vicente	176,594	176,594						353,188
María Teresa Ballester Fornés	176,594			88,297		22,074		286,966
Manuel Manrique Cecilia	176,594	176,594						353,188
Rene Dahan	176,594	176,594						353,188
José Manuel Loureda Mantiñán	176,594					22,074	44,149	242,817
Mariano Marzo Carpio	176,594		22,074		22,074	22,074	44,149	286,966
Isabel Torremocha Ferrezuelo	176,594			88,297			44,149	309,040
J. Robinson West	176,594	176,594						353,188
Luis Suárez de Lezo Mantilla	176,594	176,594						353,188

Note: In accordance with the scheme approved by the Board of Directors, and at the proposal of the Remuneration Committee, the amount due in 2020 came to: (i) €176,594 for membership of the Board of Directors; (ii) €176,594 for membership of the Delegate Committee; (iii) €88,297 for membership of the Audit and Control Committee; (iv) €44,149 for membership of the Sustainability Committee; (v) €22,074 for membership of the Appointments Committee; and (vi) €22,074 for membership of the Remuneration Committee; and (vii) €22,074 for the position of Independent Lead Director.

(1) On April 30, 2015, Mr. Brufau stepped down from his executive duties, and on this same date the shareholders at the Annual General Meeting approved his re-election as non-executive Chairman of the Board of Directors and his new remuneration conditions, applicable from May 1, 2015, consisting of a fixed remuneration of €2,500 thousand gross per year. In addition, remuneration in kind and payments on account/withholdings linked to remuneration in kind totaled €0.286 million.

Additionally, it should also be noted that:

- The members of the Board of Directors of the parent company have not been granted any loans or advances by any Group company, joint arrangement or associate.
- The non-executive directors only receive the fixed remuneration indicated in the table above and are excluded from the schemes financed by the Company to provide coverage in the event of termination, death or other developments and from the Company's short- and long-term performance-based bonus schemes. As regards the Chairman of the Board of Directors, see note 1 of the table on remuneration for membership of the managing bodies in this section.
- No Group company, joint arrangement or associate has pension or life insurance obligations to any former or current member of the Board of Directors of the parent company, except in the case of the Chief Executive Officer, whose remuneration is subject to the commitments set forth in his contract for services, as described further on.

b) Due to the holding of executive positions and performing executive duties

In 2020, compensation to Directors for the performance of executive duties was as follows:

€ Million	Josu Jon Imaz San Miguel
Fixed monetary remuneration	1.200
Variable remuneration and in kind [(1)]	1.878

[(1)] Includes, among other items, life and disability insurance and health insurance, as well as variable annual and multi-annual remuneration, as well as additional shares corresponding to the settlement of the seventh cycle of the Share Purchase Plan for the Beneficiaries of the Long-Term Incentive Plans, as detailed in section 27.3.

The above amounts do not include the amounts detailed in section c) and d) below.

c) Due to membership of the Boards of Directors of investees

In 2020 the members of the Board of Directors of the parent company did not receive any amount for membership of the governing bodies of other Group companies, joint arrangements or associates.

d) Due to contributions to pension plans, long-service bonuses and welfare plans

The cost in 2020 of the contributions made to pension plans, long-service bonuses and welfare plans for the Chief Executive Officer discharging executive duties in the Group amounted to:

	€ Million
Josu Jon Imaz San Miguel	0.254

e) Share Purchase Plan for Beneficiaries of the Long-Term Incentive Plans

On May 31, 2020, the vesting period concluded for the seventh cycle of the share purchase plan for beneficiaries of long-term incentive plans (see Note 27.4.i). Upon vesting, Josu Jon Imaz became entitled to receive a total of 3,644 shares, valued at a price of €9.53 per share.

28.2) Indemnity payments to Board members

In 2020, no Director received any indemnity payments from Repsol.

28.3) Other transactions with directors

In 2020, Repsol's Directors did not conclude any material transaction with the Company or any of the Group companies outside the ordinary course of business or on terms other than those afforded to customers.

The Chief Executive Officer signed up for the 2018-2021, 2019-2022 and 2020-2023 cycles of the Share Purchase Plan for Beneficiaries of the Long-Term Incentive Plans, as detailed in Note 27.

In 2020, the Board of Directors has not been made aware of any situation of direct or indirect conflict of interest. Nevertheless, in accordance with Article 229 of the Spanish Companies Act, the resolutions of the Board and of the Appointments Committee during the year regarding related-party transactions, ratification, re-election and continuity of Directors and on appointment to positions on the Board and its committees were passed in the absence of the Director affected by the relevant proposed resolution.

In addition, the Chief Executive Officer did not participate in the approval of the Board of Directors resolutions regarding his compensation for the performance of executive duties at the Company.

28.4) Remuneration of key management personnel

a) Scope

Repsol considers *"key management personnel"* to be the members of the Executive Committee. In 2020, a total of 9 persons formed the Executive Committee. The term *"key management personnel"* neither substitutes nor comprises a benchmark for interpreting other senior management pay concepts applicable to the Company under prevailing legislation (e.g. Royal Decree 1382/1985), nor does it have the effect of creating, recognizing, amending or extinguishing any existing legal or contractual rights or obligations.

This section itemizes the remuneration accrued in 2020 by the people who, at some juncture during the period and during the time they occupied such positions, were members of the Executive Committee. Unless indicated otherwise, the compensation figures provided for *"key management personnel"* do not include the compensation accrued by people who are also directors of Repsol, S.A.; (information included in section 1 of this note).

b) Wages and salaries, executive welfare plan, pension fund and insurance premiums.

The total remuneration earned in 2020 is as follows:

	€ Million
Wages	5.613
Allowances	0.101
Variable remuneration [(1)]	5.379
Remuneration in kind [(2)]	0.585
Executive welfare plan	1.163

[(1)] This consists of an annual bonus, and a multi-annual bonus, calculated as a given percentage of the fixed remuneration earned on the basis of the degree to which certain targets are met.
[(2)] Includes vested entitlement to 12,892 additional shares (before withholdings) for the seventh cycle of the Share Purchase Plan for Beneficiaries of the Long-Term Incentive Plans, valued at €9.53 per share, equivalent to a gross amount of €122,877. It also includes contributions to pension plans for executives (see Note 27), and the premiums paid for life and disability insurance, amounting to €0.209 million.

c) Advances and loans granted

At December 31, 2020, Repsol, S.A. had granted loans to key management personnel amounting to €0.293 million, having accrued an average interest rate of 2.1% during the current financial year.

28.5) Indemnity payments to key management personnel

Key management personnel are entitled to severance pay if their employment is terminated for any reason other than breach of executive duties, retirement, disability or their own free will without reference to any of the indemnifiable events specified in their contracts.

The Group has arranged a group insurance policy to assure such benefits for Executive Committee members with the title General Manager, and for Directors that have performed executive duties.

In 2020, the indemnity payments received by the Company's key management personnel for the termination of their contract and for non-competition agreements amounts to €5.357 million.

28.6) Other transactions with key management personnel

In 2020, Executive Committee members did not conclude any material transaction with the parent company or any of the Group companies outside the ordinary course of business or on terms other than those afforded to customers or other than on an arm's length basis.

Additionally, the Executive Committee members signed up for the 2018-2021, 2019-2022 and 2020-2023 cycles of the Share Purchase Plan for Beneficiaries of the Long-term Incentive Plans, as detailed in Note 27.3.

28.7) Civil liability insurance

In 2020, the Group took out a civil liability policy for Board members, the key management personnel referred to in Note 28.4.a), and the other executives and people executing such functions, for a total premium of €3.8 million. The policy also covers different Group companies under certain circumstances and conditions.

(29) Climate change and environmental information

In accordance with its express commitment to transparency, Repsol prepares its climate change information in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)[32], which it has voluntarily joined. The main aspects related to climate change are reported below and are explored in detail in section 8.1 of the consolidated Management Report:

– *Strategy:* Repsol has made public its commitment to be part of the solution in the fight against climate change by focusing its strategy on becoming a company with net zero CO_2 emissions by 2050, in line with the objectives of the Paris Summit and the Sustainable Development Goals of the United Nations, which aim to limit global warming to below two degrees Celsius with respect to pre-industrial levels.

  To achieve this ambitious objective, five levers of action have been defined and integrated into the business strategy:

  - Efficiency of operations for the decarbonization of scope 1 and 2 emissions of the assets operated: this implies an ongoing process of seeking out opportunities in the areas of technology, design, and operating and maintenance procedures, focusing on: (i) energy efficiency and electrification of energy consumption, and (ii) reduction of methane and flaring emissions.

  - Transformation of the exploration and production asset portfolio: this focuses on portfolio management based on prioritizing assets with a shorter life cycle and that are less carbon intensive.

  - Low-carbon fuels and circular economy: advanced biofuels, biogas from organic waste and synthetic fuels are key to the decarbonization of such important segments as transportation and industry. Sustainable biofuel production capacity will be 1.3 million tons in 2025 and more than 2 million tons in 2030, of which more than 65% will be produced from waste, with the possibility of reaching 100% to meet market or regulatory demands. The Company also aims to reach a renewable production equivalent to 400 MW in 2025 with the goal of exceeding 1.2 GW in 2030.

    With regard to the circular economy, this concept is implemented in all countries in which it operates and throughout its value chain, from obtaining raw materials to selling products and services. In addition, Repsol is committed to a business of efficient products with a greater percentage of recycling in its polyolefin production, setting itself the goal of recycling the equivalent of 10% of its production in 2025 and 20% in 2030.

  - Renewable energies: target of 7,500 MW of low-carbon power generation capacity, which is increased to 15,000 MW by 2030.

  - New technological developments and carbon sinks: technologies for carbon capture, utilization and storage will be key elements for a carbon-neutral future.

– *Risks and opportunities:* The methodology for identifying climate risks is adapted to that used in the Integrated Risk Management System, with a five-year time horizon, in order to extend its scope to 2050 and bring it into line with the commitment to net zero emissions. The risk analysis is carried out for the short, medium and long term:

  - Throughout the 2021-2025 Strategic Plan, approximately 10% of the Group's risks analyzed will be closely related to climate change.

  - By 2030, the probability of being negatively impacted by the energy transition is very low (less than 5%); with a probability of more than 95% for opportunities (energy efficiency, renewable power generation,

[32] The G-20 Ministers of Finance and central bank governors asked the Financial Stability Board (FSB) to review how the financial sector can address climate-related issues. The FSB established the Task Force on Climate-related Financial Disclosures (the Task Force), which has developed certain recommendations, the core elements of which are: governance, strategy, risk management, and metrics and targets. More information at https://www.fsb-tcfd.org.

advanced biofuels, renewable hydrogen, medium- and long-term circular economy, carbon capture and storage), which will counteract the potential impacts of the energy transition.

- In 2040 and 2050, the Company's exposure to climate risks will grow, with a reasonably high probability (50%) that the Company will not be negatively impacted, but rather positively impacted as a result of the energy transition, which will depend on how climate policies evolve, the price of carbon, the costs of reducing greenhouse gas emissions, etc. The main risks (and opportunities) are:

    i. Changes in the basket of primary energy sources towards other less carbon-intense sources, which involve a reduction in the use of hydrocarbons.

    ii. Changes in energy end-uses leading to a reduction in demand for the products sold.

    iii. Regulatory changes that affect operations and/or future investments.

    iv. Inefficient or late adoption of new practices, processes, or novel or less mature technologies.

    v. Changes that promote efficiency in the use of natural resources, including the reduction, reuse and recycling of non-energy products.

    vi. Potential difficulty or limitation for the Group to raise funds.

    vii. Harm to the reputation of the Company and/or the industry.

One of the main conclusions of the climate risk analysis is that Repsol is more exposed to transitional risks than to physical risks. However, measures are being implemented to reduce exposure to both risks. Physical risks are those adverse weather phenomena to which Repsol is exposed (hurricanes, floods, changes in rainfall or temperature, etc.), capable of triggering impacts on its activities.

Accordingly, exposure to climate change risks is different in each of the Company's business areas. This exposure, measured in absolute terms, is influenced by the size of each of the businesses. Those most exposed are the hydrocarbons Exploration and Production activities and Refining activities.

– *Metrics and objectives:* To achieve the goal of net zero emissions by 2050, Repsol has defined a Carbon Intensity Indicator (CII) measured in gCO_2e/MJ[33], to establish its emissions reduction targets based on scopes 1+2+3 over time and with respect to the base year 2016: 12% in 2025, 25% in 2030, and 50% in 2040. By 2050, it is estimated that there will be at least an 80% reduction in the IIC with the technological progress that is currently expected, and Repsol undertakes to apply the best technologies available at that time to raise this figure, including carbon capture, utilization and storage (CCUS), and if this is not enough, offsetting emissions through reforestation and other natural climate solutions. In 2020, a 5% reduction was achieved, thus exceeding the initial target set of 3%. This value was well above the target, mainly as a result of reduced business activity given the context of the year.

  In addition, Repsol has established plans to reduce CO_2 equivalent emissions in order to reduce energy and carbon intensity through efficiency in its operations. In 2020, it completed its 2014-2020 reduction plan, achieving a reduction of 2.4 Mt CO_2 above the initial target of 2.1, and has drawn up a new plan for the 2021-2025 period with the aim of achieving a reduction of an additional 1.5 million tons of CO_2 by 2025.

  In addition, a target has been set to reduce the intensity of methane emissions from operated assets by 25% by 2025 compared to 2017. In 2020, methane intensity decreased by even more than the 2025 target. A new target of 0.2% methane intensity has been assumed for 2030.

  A target has also been set to reduce CO_2e emissions from routine gas flaring by 50% by 2025, with regard to E&P operated assets, the baseline for which was set in 2018. In 2020, routine gas flaring had increased compared to 2018 due to increased production in the most flaring-intensive assets and improvements in the measurement methodology.

[33] The IIC takes into account in the numerator the emissions derived from the Company's activity (direct and indirect emissions arising from exploration and production, refining and chemical activities and from electricity generation) and the 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 power that Repsol makes available to society in the form of end products derived from the primary energy production from oil and gas and from low-carbon energy sources (More information at www.repsol.com).

Greenhouse gas emissions over the last five years have been as follows:

Mt CO_2e (CO_2, CH_4 y N_2O)	**2020**	**2019**	**2018**	**2017**	**2016**
Emissions scope 1 [(1)]	22.0	24.7	22.0	23.0	24.9
Emissions scope 2 [(2)]	0.4	0.5	0.4	0.4	0.5
Emissions scope 3 [(3)]	157	189	194	193	183

[(1)] Scope 1 (direct emissions from the Company's activities).
[(2)] Scope 2 (indirect emissions associated with the purchase of electricity and steam from third parties).
[(3)] Scope 3 (indirect emissions associated with the use of products sold and the production of raw materials such as crude oil and hydrogen).

– *Governance:* The entire organization, businesses, corporate areas and employees are involved in achieving the climate change objectives. The Board of Directors approved the decarbonization strategy and the climate change policy, and it monitors compliance with the objectives included in the Strategic Plan on a quarterly basis, analyzing, among others, the indicators related to sustainability and energy transition. Its Sustainability, Audit and Control, and Remuneration Committees also play an important role in the deployment of the strategy and policy defined by the Board.

  The Executive Committee (EC) is the body that is directly responsible for managing climate change issues, strategic decisions and lines of action. The EC approves the Strategic Plan, the multiannual strategic objectives and the annual targets to reduce greenhouse gas (GHG) emissions.

  The Company's climate change objectives have a direct impact on the variable remuneration of all employees.

Within the framework of its commitments to decarbonization and the energy transition, Repsol has reviewed the main assumptions for the assessment of both future investments and existing assets. In particular, expectations regarding future crude oil and gas prices have been reduced, as have long-term estimates on the consumption of oil products, and CO_2 emission costs have been revised upwards, forming a scenario that is in line with the obligations assumed to fulfill the climate objectives of the Paris Agreement and Sustainable Development Goals of the United Nations. These new scenarios had an impact on the measurement of assets for accounting purposes in both 2020 and 2019, mainly in the hydrocarbon Exploration and Production segment (see Note 20).

29.1) CO_2 emission allowances

Emission allowances are recognized as inventory and are initially recognized at acquisition cost. Those allowances free of charge received under the emissions trading system for the 2013-2020 period, are initially recognized as inventory at the market price prevailing at the beginning of the year in which they are issued, against deferred income as a grant. As the corresponding tons of CO_2 are issued, the deferred income is reclassified to profit or loss.

They are not amortized as their carrying amount matches their residual value and are subject to an impairment test based on their recoverable amount, (measured with reference to the price of the benchmark contract in the futures market provided by the ECX-European Climate Exchange).

The Group records an expense under "Other operating expenses" in the income statement for the CO_2 emissions released during the year, recognizing a provision calculated based on the tons of CO_2 emitted, measured at: (i) their carrying amount in the case of the allowances that the Group has at year end; and (ii) the closing list price in the case of allowances that it does not yet have at year end.

When the emissions allowances for the tons of CO_2 emitted are delivered to the authorities, the inventories and their corresponding provision are derecognized from the balance sheet without any effect on the income statement.

When CO_2 emission allowances are actively managed to take advantage of market trading opportunities, the trading allowances portfolio is classified as trading inventories (see Note 16).

In relation to the estimated price of CO_2 emission allowances to calculate the recoverable amount of the assets, see Notes 3 and 20.

In Europe, the EU Emissions Trading System (EU-ETS) Directive entered Phase III on January 1, 2013. This phase, which was completed in 2020, marks the end of the free allocation of CO_2 emission allowances to activities related to electricity generation, while they have been significantly reduced in others. The 2014 update to the EU-ETS Directive confirmed that refining and chemicals activity in Europe was one of the sectors exposed to carbon leakage and has therefore continued benefiting from the free allocation of CO_2 allowances, partially covering its deficits.

The movements in provisions recognized in respect of CO_2 emission allowances (see Note 15) used in 2020 and 2019 is as follows:

	€ Million	
	2020	**2019**
Opening balance for the year	**325**	**113**
Provisions charged to the income statement (1)	281	325
Reclassifications and other movements (2)	(325)	(113)
Balance at year end	**281**	**325**

(1) Corresponds to the expense incurred to acquire the allowances needed to cover the Group's CO_2 emissions.
(2) In 2020 and 2019, corresponds to the derecognition of allowances used to cover emissions made in 2019 and 2018, respectively (see Note 11).

In 2020 and 2019, the Group companies recognized emission allowances allocated free of charge under the Spanish National Allocation Plan equivalent to 7.7 million tons of CO_2, initially measured at €189 million and €201 million, respectively (see Note 11).

The net cost of carbon management amounted to €96 million in 2020 and €132 million in 2019, corresponding mainly to the CO_2 emitted by industrial complexes in Spain not covered by free emission allowances.

29.2) Environmental investment, expenses and provisions[34]

Environmental investments in 2020 amounted to €110 million (€44 million classified as '*work in progress*' at December 31). Of note are those aimed at reducing emissions into the atmosphere, managing and optimizing water consumption, those relating to soil remediation and those aimed at fulfilling the obligations assumed by the Company with regard to the energy transition (energy savings and increased energy efficiency). In 2020 the investments made in the industrial complexes are particularly noteworthy: in the Refining business, investments were made to improve the energy integration of the production units, to recover hydrogen and to reduce emissions from flares, which resulted in savings in fuel consumption; and in the Chemicals business, investments were made to improve the efficiency of the olefin plants and for the use of waste as a raw material.

Environmental expenses, which are recognized under "*Procurements*" and "*Other operating expenses*", excluding the expenses for the allowances necessary to cover CO_2 emissions (see previous section), amounted to €314 million and €94 million in 2020 and 2019, respectively. In 2020, of note are the actions carried out for the protection of the atmosphere in the industrial facilities amounting to €28 million (€26 million in 2019); water management amounting to €16 million (€19 million in 2019); and waste management amounting to €13 million (€17 million in 2019).

Provisions for environmental actions[35] at December 31, 2020 amount to €87 million, with no significant provisions recognized during the year. In addition, the Group has recognized field decommissioning provisions for its hydrocarbon exploration and production assets (see Note 15).

The corporate insurance policies cover, subject to terms and conditions, civil liability for pollution on land and at sea and certain liabilities via-a-vis the authorities pursuant to the Environmental Liability Act, all of which derived from accidental, sudden and identifiable events, in keeping with habitual industry practice and applicable legislation.

(30) Further breakdowns

30.1) Staff[36]

The Repsol Group employed a total of 23,739 people at December 31, 2020, geographically distributed as follows: Spain (16,632), North America (1,068), South America (3,831), Europe, Africa and Brazil (1,818), and Asia and Russia (444). Average headcount in 2020 was 24,183 employees (24,891 employees in 2019).

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[34] Items identified as of an environmental nature, are understood as those the purpose of which is to minimize environmental impact and to protect and improve the environment. The criteria for their assessment are based on the Group's technical criteria in accordance with the guidelines issued by the American Petroleum Institute (API).

[35] Repsol recognizes the provisions required to cover measures aimed at preventing and repairing environmental impact. These provisions are presented under "*Current and non-current provisions*" on the balance sheet and under "*Other provisions*" in the table reconciling the movement in provisions in Note 15.

[36] For further information on the workforce and human resource management policies, see section 8.2 of the consolidated Management Report.

Below is a breakdown of the Group's total staff[37] distributed by professional category and gender at year-end 2020 and 2019:

	2020		2019	
	Men	Women	Men	Women
Executives	196	46	208	55
Technical Managers	1,631	766	1,694	738
Technicians	6,738	3,626	7,262	4,678
Manual workers and junior personnel	6,314	4,476	6,266	3,733
Total	**14,879**	**8,914**	**15,430**	**9,204**

The Repsol Group employed a total of 527 differently-abled people at December 31, 2020 (2.21% of its workforce).

In Spain, in 2020, using the computation criteria stipulated in the Spanish law on the rights of disabled persons and their social inclusion (*Ley General de derechos de las personas con discapacidad y de su inclusión social*), the Group surpassed the legally required percentage threshold: its differently-abled workforce accounted for 2.42% of the total in Spain, namely 427 direct hires.

30.2) Fees paid to auditors

The fees for audit services, professional services related to the audit and other non-audit services provided during the year to Repsol Group companies by PriceWaterhouseCoopers Auditores, S.L. and the companies in its network (PwC), as well as the fees for those provided by other audit firms, are shown below:

	Main auditor	
€ Million	**2020**	**2019**
Audit and related services:	**7.6**	**7.8**
Audit services	6.9	7.1
Professional services related to the audit	0.7	0.7
Tax services	—	—
Other services	**0.1**	—
Total[(1)]	**7.7**	**7.8**

(1) The fees approved in 2020 by PriceWaterhouseCoopers Auditores, S.L for audit and related services amounted to €4,9 million and €0,7 million, respectively.

"*Audit services*" includes the fees relating to the audit of the separate and consolidated financial statements of Repsol, S.A. and of the companies forming part of its Group, the limited reviews of the Group's financial statements, and the review of the information relating to the Group's Internal Financial Reporting Control System, whose work allows evidence to be obtained for the audit.

"*Professional services related to the audit*" includes, mainly, verifications and certifications for partners and official bodies, reports for the issuance of bonds and other marketable securities (comfort letters), as well as the verification of the non-financial information of the consolidated management report.

The directors of the Parent Company obtained confirmation from the auditors of their compliance with the independence requirements established in applicable regulations.

30.3) Other annual information

Along with these consolidated Financial Statements, Repsol publishes annual information that is available on the Repsol website (www.repsol.com):

- Management Report, which includes an appendix with the Annual Corporate Governance Report.
- Alternative Performance Measures (APMs).
- Directors Remuneration Report.
- Information on oil and gas exploration and production activities.
- Report on payments to governments on oil and gas exploration and production activities.

The Shareholder Information Office is located at calle Méndez Álvaro, 44, Madrid and its telephone number is 900.100.100.

37 Pursuant to the provisions of Organic Law 3/2007, of March 22, which promotes true equality between men and women, published in the Official State Gazette of March 23, 2007.

(31) Subsequent events

On February 3, 2021, Repsol International Finance B.V. notified the bondholders of the subordinated bonds issued in March 2015 (see Note 6.4) of its decision to redeem the remaining balance of the issue (a nominal amount of €406 million) on March 25, which will entail an estimated payment of €422 million (including the nominal amount and any unpaid interest accrued to date).

(32) Explanation added for translation to English

These consolidated financial statements are prepared on the basis of IFRSs, as endorsed by the European Union, and Article 12 of Royal Decree 1362/2007. Consequently, certain accounting practices applied by the Group may not conform to other generally accepted accounting principles in other countries.

APPENDIX I: Group's corporate structure
APPENDIX IA: Main companies comprising the Repsol group at December 31, 2020

					December 2020			
					%		€ Million	
Name	Parent company	Country	Corporate purpose	Method of conso. (1)	Control Int. (2)	Total Group Interest	Equity (3)	Share Capital (3)
UPSTREAM								
Agri Development, B.V. (16)	Repsol Sinopec Brasil, B.V.	Netherlands	Platform for production of crude oil and natural gas	E.M.(J.V.)	10.00	6.00	—	—
Akakus Oil Operations, B.V.	Repsol Exploración Murzuq, S.A.	Netherlands	Oil and gas exploration and production	E.M.	49.00	49.00	—	—
ASB Geo	Repsol Exploración, S.A.	Russia	Oil and gas exploration and production	E.M.(J.V.)	50.01	50.01	1	—
BP Trinidad & Tobago, Llc. (16)	BPRY Caribbean Ventures, Llc.	United States	Oil and gas exploration and production	E.M.(J.V.)	100.00	30.00	—	—
BPRY Caribbean Ventures, Llc. (15)	Repsol Exploración S.A.	United States	Oil and gas exploration and production	E.M.(J.V.)	30.00	30.00	303	2,544
Cardón IV, S.A. (15)	Repsol Exploración, S.A.	Venezuela	Oil and gas exploration and production	E.M.(J.V.)	50.00	50.00	(508)	3
CSJC Eurotek - Yugra	Repsol Exploración Karabashsky, B.V.	Russia	Oil and gas exploration and production	E.M.(J.V.)	68.30	68.30	37	—
Dubai Marine Areas, Ltd.(6)	Repsol Exploración S.A.	United Kingdom	Oil and gas exploration and production	E.M.(J.V.)	50.00	50.00	2	—
Equion Energia Ltd. (15)	Talisman Colombia Holdco Ltd.	United Kingdom	Oil and gas exploration and production	E.M.(J.V.)	49.00	49.00	591	—
FEHI Holding S.ar.l.	Repsol Exploración, S.A.(20)	Luxembourg	Portfolio company	F.C.	100.00	100.00	640	182
Fortuna Resources (Sunda) Ltd.	Talisman UK (South East Sumatra) Ltd.	British Virgin Islands	Oil and gas exploration and production (11)	F.C.	100.00	100.00	23	—
Guará, B.V. (16)	Repsol Sinopec Brasil, B.V.	Netherlands	Platform for production of crude oil and natural gas	E.M.	25.00	15.00	—	—
MC Alrep, Llc.	AR Oil & Gaz, B.V.	Russia	Management services for JV	E.M.(J.V.)	100.00	49.00	—	—
Lapa Oil & Gas, B.V. (16)	Repsol Sinopec Brasil, B.V.	Netherlands	Platform for production of crude oil and natural gas	E.M.	25.00	15.00	—	—
Sierracol Energy Arauca, LLC (32)	Repsol International Finance, B.V.	United States	Portfolio company	E.M.(J.V.)	25.00	25.00	96	86
Paladin Resources Ltd.	TE Holding S.a.r.l.	United Kingdom	Portfolio company	F.C.	100.00	100.00	—	40
Petrocarabobo, S.A.	Repsol Exploración S.A.	Venezuela	Oil and gas exploration and production	E.M.(J.V.)	11.00	11.00	67	506
Petroquiriquire, S.A. Emp. Mixta (15)	Repsol Exploración S.A.	Venezuela	Oil and gas exploration and production.	E.M.(J.V.)	40.00	40.00	(1,057)	212
Quiriquire Gas, S.A. Emp. Mixta	Repsol Venezuela, S.A.	Venezuela	Oil and gas exploration and production.	E.M.(J.V.)	60.00	60.00	—	—
Repsol Alberta Shale Partnership	Repsol Oil & Gas Canada Inc.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00	287	1,383
Repsol Angostura, Ltd.	Repsol Exploración S.A.	Trinidad and Tobago	Oil and gas exploration and production (11)	F.C.	100.00	100.00	1	34
Repsol Bulgaria Khan Kubrat, S.A.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	9	—
Repsol Canada Energy Partnership	Repsol Oil & Gas Canada Inc.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00	231	1,246
Repsol Ductos Colombia, S.A.S.	Talisman Colombia Holdco Ltd.	Colombia	Oil and gas exploration and production	F.C.	100.00	100.00	64	3
Repsol E&P Bolivia, S.A.	Repsol Bolivia, S.A.	Bolivia	Oil and gas exploration and production	F.C.	100.00	100.00	598	2
Repsol E&P Eurasia, LLc.	Repsol Exploración S.A.	Russia	Oil and gas exploration and production	F.C.	99.99	99.99	—	5
Repsol E&P USA, Inc.	Repsol USA Holdings Corporation	United States	Oil and gas exploration and production	F.C.	100.00	100.00	2,621	2,679
Repsol E&P USA Holdings, Inc.	Repsol Oil & Gas Holdings USA, Inc.	United States	Oil and gas exploration and production	F.C.	100.00	100.00	1,575	1,542
Repsol Ecuador, S.A.	Repsol Exploración S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	41	5
Repsol Energy North America Corporation	Repsol USA Holdings Corporation	United States	Marketing of GNL	F.C.	100.00	100.00	(527)	233
Repsol Exploración 17, B.V.	Repsol S.A. (30)	Netherlands	Portfolio company	F.C.	100.00	100.00	2,001	1
Repsol Exploración 405A, S.A.	Repsol Exploración S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	26	—
Repsol Exploración Aitoloakarnania, S.A.	Repsol Exploración S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	3	—
Repsol Exploración Argelia, S.A.	Repsol Exploración S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	154	4
Repsol Exploración Aru, S.L.	Repsol Exploración S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	—	—
Repsol Exploración Atlas, S.A.	Repsol Exploración S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	1	4
Repsol Exploración Colombia, S.A.	Repsol Exploración S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	64	2
Repsol Exploración Gharb, S.A. (14)	Repsol Exploración S.A.	Spain	Oil and gas exploration and production (11)	F.C.	100.00	100.00	8	—

Name	Parent company	Country	Corporate purpose	Method of conso. (1)	December 2020 % Control Int. (2)	Total Group Interest	€ Million Equity (3)	Share Capital (3)
Repsol Exploración Guinea, S.A.	Repsol Exploración S.A.	Spain	Oil and gas exploration and production (11)	F.C.	100.00	100.00	—	—
Repsol Exploración Guyana, S.A.	Repsol Exploración S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	24	—
Repsol Exploración Ioannina, S.A.	Repsol Exploración S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	17	—
Repsol Exploración Irlanda, S.A.	Repsol Exploración S.A.	Spain	Oil and gas exploration and production (11)	F.C.	100.00	100.00	15	—
Repsol Exploración Jamaica, S.A.	Repsol Exploración 17, B.V. (27)	Spain	Portfolio company	F.C.	100.00	100.00	1,623	—
Repsol Exploración Karabashsky, B.V.	Repsol Exploración S.A.	Netherlands	Oil and gas exploration and production	F.C.	100.00	100.00	51	131
Repsol Exploración Kazakhstan, S.A.	Repsol Exploración S.A.	Spain	Oil and gas exploration and production (11)	F.C.	100.00	100.00	7	—
Repsol Exploración México, S.A. de C.V.	Repsol Exploración S.A.	Mexico	Oil and gas exploration and production	F.C.	100.00	100.00	146	181
Repsol Exploración Murzuq, S.A.	Repsol Exploración Jamaica, S.A. (28)	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	292	8
Repsol Exploración Perú, S.A.	Repsol Exploración Jamaica, S.A. (28)	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	306	21
Repsol Exploración South East Jambi B.V.	Repsol Exploración S.A.	Netherlands	Oil and gas exploration and production	F.C.	100.00	100.00	4	—
Repsol Exploración South Sakakemang, S.L.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	2	2
Repsol Exploración Tanfit, S.L.	Repsol Exploración S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	15	3
Repsol Exploración Tobago, S.A.	Repsol Exploración S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	5	—
Repsol Exploración West Papúa IV, S.L.	Repsol Exploración S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	—	—
Repsol Exploración, S.A.	Repsol S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	6,212	25
Repsol Exploraçao Brasil, Ltda.	Repsol S.A. (30)	Brazil	Oil and gas exploration and production	F.C.	100.00	100.00	2,618	904
Repsol Greece Ionian, S.L.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	6	—
Repsol Groundbirch Partnership	Repsol Oil & Gas Canada Inc.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00	2	212
Repsol Investigaciones Petrolíferas, S.A.	Repsol Exploración S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	357	194
Repsol Libreville, S.A. avec A.G.	Repsol Exploración S.A.	Gabon	Oil and gas exploration and production (11)	F.C.	100.00	100.00	(10)	62
Repsol LNG Holdings, S.A.	Repsol Exploración S.A.	Spain	Hydrocarbon marketing	F.C.	100.00	100.00	23	2
Repsol Norge, AS	Repsol Exploración S.A.	Norway	Oil and gas exploration and production	F.C.	100.00	100.00	300	—
Repsol OCP de Ecuador, S.A.	Repsol Ecuador, S.A.	Spain	for the transport of hydrocarbons	F.C.	100.00	99.99	64	—
Repsol Offshore E & P USA, Inc.	Repsol USA Holdings Corporation	United States	Oil and gas exploration and production (11)	F.C.	100.00	100.00	10	27
Repsol Oil & Gas Australia (JPDA 06-105) Pty Ltd.	Paladin Resources Ltd.	Australia	Oil and gas exploration and production	F.C.	100.00	100.00	2	133
Repsol Oil & Gas Australasia Pty Ltd.	Talisman International Holdings, B.V.	Australia	Shared services company	F.C.	100.00	100.00	—	62
Repsol Oil & Gas Canada, Inc. (10)	Repsol Energy Resources Canada Inc.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00	3,607	6,143
Repsol Oil & Gas Gulf of Mexico, LLC	Repsol E&P USA Holdings, Inc.	United States	Oil and gas exploration and production	F.C.	100.00	100.00	397	—
Repsol Oil & Gas Holdings USA Inc.	FEHI Holding S.a.r.l.	United States	Oil and gas exploration and production	F.C.	100.00	100.00	4,067	1,754
Repsol Oil & Gas Malaysia (PM3) Ltd.	Fortuna International Petroleum Corporation	Barbados	Oil and gas exploration and production	F.C.	100.00	100.00	(17)	10
Repsol Oil & Gas Malaysia Ltd.	Fortuna International Petroleum Corporation	Barbados	Oil and gas exploration and production	F.C.	100.00	100.00	156	—
Repsol Oil & Gas USA LLC.	Repsol E&P USA Holdings Inc.	United States	Oil and gas exploration and production	F.C.	100.00	100.00	(8)	1,649
Repsol Oil & Gas Vietnam 07/03 Pty Ltd	Repsol Exploración, S.A.	Vietnam	Oil and gas exploration and production	F.C.	100.00	100.00	13	—
Repsol Oriente Medio, S.A.	Repsol Exploración S.A.	Spain	Oil and gas exploration and production (11)	F.C.	100.00	100.00	67	—
Repsol Services México, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Oil and gas exploration and production	F.C.	100.00	100.00	8	7
Repsol Servicios Colombia, S.A.	Repsol Exploración S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	(1)	—
Repsol Sinopec Brasil, S.A. (15)	Repsol Exploración 17, B.V. (27)	Brazil	Hydrocarbon operations and marketing	E.M.(J.V.)	60.01	60.01	6,666	2,003
Repsol Sinopec Resources UK Ltd. (15)	Talisman Colombia Holdco Ltd.	United Kingdom	Oil and gas exploration and production	E.M.(J.V.)	51.00	51.00	1,125	4,023
Repsol Suroriente Ecuador, S.A.	Repsol Exploración S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	1	2

					December 2020			
					%		€ Million	
Name	**Parent company**	**Country**	**Corporate purpose**	**Method of conso.** [(1)]	**Control Int.** [(2)]	**Total Group Interest**	**Equity** [(3)]	**Share Capital** [(3)]
Repsol U.K., Ltd.	Repsol Exploración S.A.	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00	5	30
Repsol USA Holdings Corporation	Repsol Exploración S.A.	United States	Oil and gas exploration and production	F.C.	100.00	100.00	4,259	4,409
Repsol Venezuela, S.A.	Repsol Exploración Venezuela, B.V.	Venezuela	Oil and gas exploration and production	F.C.	100.00	100.00	132	653
Saneco	AR Oil & Gaz, B.V.	Russia	Oil and gas exploration and production	E.M.(J.V.)	100.00	49.00	17	—
SC Repsol Baicoi, S.R.L.	Repsol Exploración S.A.	Romania	Oil and gas exploration and production [(11)]	F.C.	100.00	100.00	7	50
SC Repsol Pitesti, S.R.L.	Repsol Exploración S.A.	Romania	Oil and gas exploration and production [(11)]	F.C.	100.00	100.00	—	7
SC Repsol Targoviste, S.R.L.	Repsol Exploración S.A.	Romania	Oil and gas exploration and production [(11)]	F.C.	100.00	100.00	3	44
SC Repsol Targu Jiu, S.R.L.	Repsol Exploración S.A.	Romania	Oil and gas exploration and production [(11)]	F.C.	100.00	100.00	—	5
Talisman (Asia) Ltd.	Repsol Oil & Gas Canada Inc.	Canada	Oil and gas exploration and production [(11)]	F.C.	100.00	100.00	(129)	—
Talisman (Block K 39) B.V.	Repsol Exploración, S.A.	Netherlands	Oil and gas exploration and production [(11)]	F.C.	100.00	100.00	(1)	—
Repsol Colombia Oil & Gas Limited	Repsol Exploración, S.A.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00	557	1,447
Repsol Corridor, S.A.[(34)]	Fortuna International (Barbados), Inc	Barbados	Oil and gas exploration and production	F.C.	100.00	100.00	215	38
Talisman (Jambi Merang) Ltd.	Talisman International Holdings, B.V.	United Kingdom	Oil and gas exploration and production [(11)]	F.C.	100.00	100.00	4	66
Talisman (Sageri) Ltd.	Repsol Oil & Gas Canada Inc.	Canada	Oil and gas exploration and production [(11)]	F.C.	100.00	100.00	(78)	—
Talisman (Sumatra) Ltd.	Repsol Oil & Gas Canada Inc.	Canada	Oil and gas exploration and production [(11)]	F.C.	100.00	100.00	—	—
Talisman (Vietnam 133 &134) Ltd.	Repsol Exploración, S.A.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00	—	29
Talisman (Vietnam 15-2/01) Ltd.	Repsol Exploración, S.A.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00	21	176
Repsol Andaman B.V. [(23)]	Talisman International Holdings, B.V.	Netherlands	Oil and gas exploration and production	F.C.	100.00	100.00	32	—
Talisman Colombia Holdco Ltd.	Repsol Exploración, S.A.	United Kingdom	Portfolio company	F.C.	100.00	100.00	1,099	1,738
Talisman East Jabung B.V.	Talisman International Holdings, B.V.	Netherlands	Oil and gas exploration and production	F.C.	100.00	100.00	3	—
Repsol Perpetual Norge, A.S.	Talisman Perpetual (Norway) Ltd.	Norway	Oil and gas exploration and production [(11)]	F.C.	100.00	100.00	—	1
Talisman Resources (Bahamas) Ltd.	Paladin Resources Ltd.	Bahamas	Oil and gas exploration and production [(11)]	F.C.	100.00	100.00	—	—
Talisman Resources (North West Java) Ltd.	Talisman UK (South East Sumatra) Ltd.	United Kingdom	Oil and gas exploration and production [(11)]	F.C.	100.00	100.00	31	—
Repsol Sakakemang B.V. [(22)]	Talisman International Holdings, B.V.	Netherlands	Oil and gas exploration and production	F.C.	100.00	100.00	101	—
Talisman South Sageri B.V.	Talisman International Holdings, B.V.	Netherlands	Oil and gas exploration and production [(11)]	F.C.	100.00	100.00	—	—
Repsol Transgasindo, S.á.r.l. [(33)]	Fortuna International (Barbados), Inc.	Spain	Portfolio company	F.C.	100.00	100.00	(38)	24
Talisman UK (South East Sumatra) Ltd.	Paladin Resources, Ltd.	United Kingdom	Oil and gas exploration and production [(11)]	F.C.	100.00	100.00	19	—
Talisman Vietnam Ltd.	Fortuna International Petroleum Corporation	Barbados	Oil and gas exploration and production	F.C.	100.00	100.00	8	—
Talisman Vietnam 07/03 B.V.	Repsol Exploración, S.A.	Netherlands	Oil and gas exploration and production	F.C.	100.00	100.00	3	—
Talisman Vietnam 07/03-CRD Corporation LLC	Talisman International Holdings, B.V.	United States	Oil and gas exploration and production	F.C.	100.00	100.00	5	—
Talisman Vietnam 135-136 B.V.	Repsol Exploración, S.A.	Netherlands	Oil and gas exploration and production	F.C.	100.00	100.00	1	—
Talisman Vietnam 146-147 B.V.	Repsol Exploración, S.A.	Netherlands	Oil and gas exploration and production	F.C.	100.00	100.00	—	—
TNO (Tafnefteotdacha)	AR Oil & Gaz, B.V.	Russia	Oil and gas exploration and production	E.M.(J.V.)	99.57	48.79	47	—
Transportadora Sulbrasileira de Gas, S.A.	Tucunaré Empreendimentos e Participaçoes, Ltda.	Brazil	Gas pipeline construction and operation	E.M.(J.V.)	25.00	25.00	—	10
Transworld Petroleum (U.K.)	Repsol Sinopec North Sea Ltd.	United Kingdom	Oil and gas exploration and production	E.M.(J.V.)	100.00	51.00	—	—
Triad Oil Manitoba Ltd.	Repsol Oil & Gas Canada, Inc.	Canada	Oil and gas exploration and production [(11)]	F.C.	100.00	100.00	5	—
YPFB Andina, S.A. [(15)]	Repsol Bolivia, S.A.	Bolivia	Oil and gas exploration and production	E.M.(J.V.)	48.33	48.33	714	144
YPFB Transierra, S.A. [(16)]	YPFB Andina, S.A.	Bolivia	Transport of oil and gas by pipeline	E.M.	44.50	21.51	—	—
504744 Alberta Ltd.	Repsol Oil & Gas Canada, Inc.	Canada	Oil and gas exploration and production [(11)]	F.C.	100.00	100.00	(6)	—

Name	Parent company	Country	Corporate purpose	Method of conso. (1)	December 2020 % Control Int. (2)	Total Group Interest	€ Million Equity (3)	Share Capital (3)
7308051 Canada Ltd	Repsol Oil & Gas Canada, Inc.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00	98	267
8441251 Canada Ltd.	Repsol Oil & Gas Canada, Inc.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00	14	14
8787352 Canada Ltd.	Repsol Oil & Gas Canada, Inc.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00	2	2
Vung May 156-159 Vietnam B.V.	Repsol Exploración, S.A.	Netherlands	Oil and gas exploration and production	F.C.	100.00	100.00	—	—
INDUSTRIAL								
Asfaltos Españoles, S.A.	Repsol Petróleo, S.A.	Spain	Asphalts	F.C. (4)	50.00	49.99	35	9
Cogeneración Gequisa, S.A. (14)	General Química	Spain	Production of electricity and steam	E.M.	39.00	19.50	6	2
Compañía Auxiliar de Remolcadores y Buques Especiales, S.A.	Repsol Petróleo, S.A.	Spain	Provision for maritime services	F.C.	100.00	99.19	6	—
Dynasol Altamira, S.A. de C.V. (14)	Dynasol Elastómeros, S.A. de C.V.	Mexico	Provision of services	E.M.(J.V.)	100.00	50.00	5	—
Dynasol China, S.A. de C.V. (14)	Dynasol Gestión Mexico, S.A.P.I. de C.V.	Mexico	Provision of services	E.M.(J.V.)	99.99	49.99	17	18
Dynasol Elastómeros, S.A. de C.V. (14)	Dynasol Gestión Mexico, S.A.P.I. de C.V.	Mexico	Production and marketing of chemical products	E.M.(J.V.)	100.00	50.00	98	30
Dynasol Elastómeros, S.A.U. (14)	Dynasol Gestión, S.L.	Spain	Production and marketing of chemical products	E.M.(J.V.)	100.00	50.00	115	17
Dynasol Gestión Mexico, S.A.P.I. de C.V. (14)	Repsol Química, S.A.	Mexico	Portfolio and shared services company	E.M.	50.00	50.00	208	171
Dynasol Gestión, S.L.	Repsol Química, S.A.	Spain	Portfolio and shared services company	E.M.	50.00	50.00	198	42
Dynasol, Llc. (14)	Dynasol Gestión, S.L.	United States	Marketing of petrochemical products	E.M.(J.V.)	100.00	50.00	21	9
Energia Distribuida del Norte, S.A. (5)	Petróleos del Norte, S.A.	Spain	Construction and operation of an oil refinery	F.C.	100.00	100.00	—	—
General Química, S.A.U. (14)	Dynasol Gestión, S.L.	Spain	Manufacture and sale of petrochemical products	E.M.(J.V.)	100.00	50.00	70	6
Grupo Repsol del Perú, S.A.C.	Repsol Perú B.V.	Peru	Portfolio and shared services company	F.C.	100.00	100.00	2	—
Iberian Lube Base Oil Company, S.A.	Repsol Petróleo, S.A.	Spain	Development and production of lubricant base oils	(4)	30.00	29.99	241	180
Industrias Negromex, S.A. de C.V. (14)	Dynasol Gestión Mexico, S.A.P.I. de C.V.	Mexico	Production of synthetic oil cloths	E.M.	99.99	49.99	85	46
Insa Altamira, S.A. de C.V. (14)	Dynasol Gestión Mexico, S.A.P.I. de C.V.	Mexico	Supply of permanent staff	E.M.(J.V.)	99.99	49.99	2	—
Insa Gpro (Nanjing), Synthetic Rubber Co., Ltd. (14)	Dynasol China, S.A. de C.V.	China	Production, development, sale of synthetic rubber	E.M.(J.V.)	50.00	24.99	6	1
Liaoning North Dynasol Synthetic Rubber Co., Ltd. (14)	Dynasol Gestión, S.L.	China	Production, development, sale of synthetic rubber	E.M.(J.V.)	50.00	25.00	17	96
Petróleos del Norte, S.A.	Repsol Exploración Caribe, S.L.(29)	Spain	Construction and operation of an oil refinery	F.C.	85.98	85.98	1,223	121
Petronor Innovación, S.L.	Petróleos del Norte, S.A.	Spain	Research activities	F.C.	100.00	85.98	—	—
Polidux, S.A.	Repsol Química, S.A.	Spain	Manufacture and sale of petrochemical products	F.C.	100.00	100.00	19	17
Refinería La Pampilla, S.A.A.	Repsol Perú B.V.	Peru	Hydrocarbon refining and marketing	F.C.	92.42	92.42	462	605
Repsol Canada, Ltd. General Partner	Repsol Exploración S.A.	Canada	Regasification of LNG	F.C.	100.00	100.00	1	2
Repsol Chemie Deutschland, GmbH	Repsol Química, S.A.	Germany	Marketing of chemical products	F.C.	100.00	100.00	2	—
Repsol Comercial, S.A.C.	Refinería La Pampilla S.A.A.	Peru	Marketing of fuel	F.C.	100.00	92.42	69	68
Repsol Customer Centric, S.L. (24)	Repsol S.A.(25)	Spain	Production and marketing of oil derivatives	F.C.	100.00	100.00	2,492	—
Relkia Distribuidora de Electricidad, S.L.	Repsol Petróleo, S.A.	Spain	Distribution and supply of electricity	F.C.	100.00	99.97	11	—
Repsol Energy Perú, S.A.C.	Repsol Comercial, S.A.C.	Peru	gaseous fuels and related products (11)	F.C.	100.00	92.42	1	—
Repsol Exploración Caribe, S.L.	Repsol S.A. (30)	Spain	Portfolio company	F.C.	100.00	100.00	6,127	—
Repsol Marketing, S.A.C.	Repsol Perú B.V.	Peru	Fuel and specialized products marketing	F.C.	100.00	100.00	14	3
Repsol Perú, B.V.	Repsol S.A.	Netherlands	Portfolio company	F.C.	100.00	100.00	358	316
Repsol Petróleo, S.A.	Repsol Exploración Caribe, S.L.(29)	Spain	Import of products and operation of refineries	F.C.	99.97	99.97	3,692	218
Repsol Polímeros, Unipessoal, LDA	Repsol Química, S.A.	Portugal	Manufacture and sale of petrochemical products	F.C.	100.00	100.00	225	62

					December 2020			
					%		€ Million	
Name	Parent company	Country	Corporate purpose	Method of conso. (1)	Control Int. (2)	Total Group Interest	Equity (3)	Share Capital (3)
Repsol Química, S.A.	Repsol Exploración Caribe, S.L.(29)	Spain	Manufacture and sale of petrochemical products	F.C.	100.00	100.00	1,235	60
Repsol St. John LNG, S.L.	Repsol LNG Holding, S.A.	Spain	Sector studies (11)	F.C.	100.00	100.00	1	—
Repsol Trading Perú, S.A.C.	Repsol Trading, S.A.	Peru	Trading and transport	F.C.	100.00	100.00	6	8
Repsol Trading Singapore Pte., Ltd.	Repsol Trading, S.A.	Singapore	Trading and transport	F.C.	100.00	100.00	(43)	—
Repsol Trading USA Corporation	Repsol USA Holdings Corporation	United States	Trading and transport	F.C.	100.00	100.00	(160)	—
Repsol Trading, S.A.	Repsol Exploración Caribe, S.L.(29)	Spain	Supply, Marketing, Trading and Transport	F.C.	100.00	100.00	438	—
Saint John LNG Development Company, Ltd.	Repsol St. John LNG, S.L.	Canada	Liquefaction plant investment project (11)	F.C.	100.00	100.00	—	3
Servicios de Seguridad Mancomunados, S.A.	Repsol Petróleo, S.A.	Spain	Safety	F.C.	100.00	99.98	1	—
COMERCIAL Y RENOVABLES								
Abastecimentos e Serviços de Aviaçao, Lda.	Repsol Portuguesa, S.A.	Portugal	Marketing of oil products	E.M.	50.00	50.00	—	—
Agrícola Comercial del Valle de Santo Domingo, S.A.	Repsol Downstream Internacional, S.A.	Mexico	Production and distribution of lubricants	E.M.(J.V.)	20.00	20.00	1	—
Air Miles España, S.A. (14)	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Wind power project	F.C.	26.67	25.78	12	—
Alectoris Energía Sostenible 1, S.L.	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	6	—
Alectoris Energía Sostenible 3, S.L.	Repsol Renovables, S.L.U	Spain	Production and sale of storage batteries	E.M.	100.00	100.00	5	—
Ampere Power Energy, S.L.	Repsol Energy Ventures, S.A.	Spain	Sun power project	F.C.	7.18	7.18	5	1
Aragonesa de Infraestructuras Energéticas Renovables, S.L.U (5)	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Arco Energía 1, S.L.U.	Repsol Renovables, S.L.U	Spain	Sun power project	F.C.	100.00	100.00	—	—
Arco Energía 2, S.L.U.	Repsol Renovables, S.L.U	Spain	Sun power project	F.C.	100.00	100.00	—	—
Arco Energía 3, S.L.U.	Repsol Renovables, S.L.U	Spain	Sun power project	F.C.	100.00	100.00	—	—
Arco Energía 4, S.L.U.	Repsol Renovables, S.L.U	Spain	Sun power project	F.C.	100.00	100.00	—	—
Arco Energía 5, S.L.U.	Repsol Renovables, S.L.U	Spain	Travel Club Program. Loyalty service	E.M.	100.00	100.00	—	—
Arteche y García, S.L. (14)	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Installation and operation of service stations	F.C.	100.00	96.68	—	—
Autoservicio Sargento, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Installation and operation of service stations	E.M.(J.V.)	50.00	50.00	1	—
Bardahl de México, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Production and distribution of lubricants	E.M.(J.V.)	40.00	40.00	59	—
Begas Motor, S.L.	Repsol Energy Ventures, S.A.	Spain	Manufacture, transformation and sale of motor vehicles, manufacture of electrical equipment and electronics, parts and accessories for motor vehicles.	E.M.	18.89	18.89	4	1
Belmont Technology Inc.., S.L.	Repsol Energy Ventures, S.A.	Spain	Software platform and virtual assistance in geoscience and reservoir engineering based on artificial intelligence.	E.M.	9.87	9.87	(1)	6
Benzirep-Vall, S.L.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Installation and operation of service stations	F.C.	100.00	96.68	—	—
Boalar Energías, S.L.U (5)	Repsol Renovables, S.L.U	Spain	Solar power project	F.C.	100.00	100.00	—	—
Caiageste - Gestao de Areas de Serviço, Lda.	GESPOST	Portugal	Operation and management of service stations	E.M.	50.00	50.00	—	—
Campsa Estaciones de Servicio, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Operation and management of service stations	F.C.	100.00	96.68	93	8
Carburants i Derivats, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Andorra	Distribution of oil derivative products	E.M.	33.25	32.15	2	—
CI Repsol Aviación Colombia, S.A.S.	Repsol Downstream Internacional, S.A.	Colombia	Distribution and marketing of oil products	F.C.	100.00	100.00	—	—
Combustibles Sureños, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Production and distribution of lubricants	E.M.(J.V.)	50.00	50.00	—	—
Compañía Anónima de Revisiones y Servicios, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Installation and operation of service stations	F.C.	95.00	91.85	3	1
Desarrollo Eólico Las Majas VII, S.L.	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	1	—
Desarrollos Eólicos El Saladar, S.L.U (5)	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—

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Desarrollo Eólico Las Majas VIII, S.L.[5]	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Desarrollo Eólico Las Majas XIV, S.L.[5]	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Desarrollo Eólico Las Majas XV, S.L.[5]	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Desarrollo Eólico Las Majas XXVII, S.L.U[5]	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Desarrollo Eólico Las Majas XXXI, S.L.U[5]	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Distribuidora Andalucía Oriental, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Fuel marketing	E.M.(J.V.)	50.00	48.34	2	1
Distribuidora de Petróleos, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Fuel marketing	F.C.	85.00	82.18	—	—
Endomexicana Renta y Servicios, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Production and distribution of lubricants	E.M.(J.V.)	40.00	40.00	1	—
Energías Renovables de Cilene, S.L.U [5]	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Energías Renovables de Dione, S.L.U [5]	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Energías Renovables de Lisitea, S.L.U [5]	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Energías Renovables de Polux, S.L.U [5]	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Energías Renovables de Gladiateur 18, S.L.U [5]	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Energías Renovables de Hidra, S.L.U [5]	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Energías Renovables de Kore, S.L.U [5]	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Energy Express S.L.U. [14]	Societat Catalana de Petrolis, S.A.	Spain	Operation and management of service stations	F.C.	100.00	91.89	6	1
Estación de Servicio Bahía Asunción, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Production and distribution of lubricants	E.M.(J.V.)	50.00	50.00	1	—
Estación de Servicio Barajas, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Installation and operation of service stations	F.C.	96.00	92.81	3	1
Solar Fotovoltaica Villena, S.L.[17]	Repsol Renovables, S.L.U[18]	Spain	Development of solar power projects	F.C.	100.00	96.68	—	—
Eólica del Tatal SpA [5]	Repsol Chile, S.A.	Chile	Wind power project	P.E.(N.C.)	15.00	15.00	—	—
Estación de Servicio Montsia, S.L.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Installation and operation of service stations	E.M.(J.V.)	50.00	48.34	—	—
Ezzing Renewable Energies S.L.	Repsol Energy Ventures S.A.	Spain	Development of solar power projects	E.M.	22.22	22.22	1	—
Finboot Ltd.	Repsol Energy Ventures S.A.	United Kingdom	Blockchain technology for energy, retail and automotive	E.M.	8.41	8.41	—	—
Fuerzas Energéticas del Sur de Europa XI, S.L.	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	1	—
Fuerzas Energéticas del Sur de Europa XII, S.L.	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	1	—
Fuerzas Energéticas del Sur de Europa V, S.L.	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	1	—
Fuerzas Energéticas del Sur de Europa VI, S.L.	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Fuerzas Energéticas del Sur de Europa XIII, S.L.U [5]	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Fuerzas Energéticas del Sur de Europa XIV, S.L.U [5]	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Fuerzas Energéticas del Sur de Europa XVIII, S.L.U [5]	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Fuerzas Energéticas del Sur de Europa XX, S.L.U [5]	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Generación Eólica El Vedado, S.L.	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	1	—
Generación y Suministro de Energía, S.L.U [5]	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	1	—
Gestâo e Admin. de Postos de Abastecimento, Unipessoal, Lda. GESPOST	Repsol Portuguesa, S.A.	Portugal	Marketing of oil products	F.C.	100.00	100.00	8	2
Gestión de Puntos de Venta GESPEVESA, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Service stations management	E.M.(J.V.)	50.00	48.34	51	39
Gutsa Servicios, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Service stations management	E.M.	50.00	50.00	—	—
Hispánica de Desarrollos Energéticos Sostenibles, S.L.U [5]	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	3	—
Iberen Renovables, S.A.	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	4	4
Ibil, Gestor de Carga de Vehículo Eléctrico, S.A.	Repsol Customer Centric, S.L.U [26]	Spain	Operation of electric vehicle charging points	E.M.(J.V.)	50.00	50.00	1	3
Klikin Deals Spain, S.L.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Customer and oil product marketing management	E.M.	100.00	96.68	3	1

Name	Parent company	Country	Corporate purpose	Method of conso. (1)	December 2020 % Control Int. (2)	December 2020 % Total Group Interest	December 2020 € Million Equity (3)	December 2020 € Million Share Capital (3)
LGA – Logística Global de Aviação, LDA. (5)	Repsol Portuguesa, S.A	Portugal	Transport of aviation oil products	E.M.	20.00	20.00	—	1
Nanogap Sub n-m Powder S.A.	Repsol Energy Ventures S.A.	Spain	Development of nanoparticles and nanofibers for application in materials, energy and biomedicine	E.M.	12.52	12.52	4	2
Natural Power Development, S.L.U (5)	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
OGCI Climate Investments, Llp.	Repsol Energy Ventures S.A.	United Kingdom	Technology Development	E.M.	9.09	9.09	136	207
Palmira Market, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Management of supermarkets and stores	E.M.(J.V.)	50.00	50.00	1	—
Perseo Biotechnology S.L.U. (5)	Repsol Energy Ventures S.A.	Spain	Manufacture, distribution and sale of biofuels	E.M.	24.99	24.99	—	—
PT Pacific Lubritama Indonesia	United Oil Comany Pte. Ltd	Singapore	Production and distribution of lubricants	E.M.	95.00	38.00	19	7
Recreus Industries S.L.	Repsol Energy Ventures S.A.	Spain	Distribution of oil derivative products	E.M.	16.67	16.67	1	—
Régsiti Comercializadora Regulada, S.L.U.	Repsol Electricidad y Gas, S.A.	Spain	Marketing of electricity	F.C.	100.00	100.00	(4)	1
Renovacyl, S.A.	Iberen Renovables, S.A.	Spain	Wind power project	F.C.	100.00	100.00	—	1
Repsol Butano, S.A.	Repsol Customer Centric, S.L.U (26)	Spain	Marketing of LGP	F.C.	100.00	100.00	200	59
Repsol Chile, S.A.	Repsol Renovables, S.L.U)(19)	Chile	Portfolio company	F.C.	100.00	100.00	23	20
Repsol Comercial de Productos Petrolíferos, S.A.	Repsol Customer Centric, S.L.U (26)	Spain	Marketing of oil products	F.C.	99.79	96.68	1,114	335
Repsol Comercializadora de Electricidad y Gas, S.L.U.	Repsol Customer Centric, S.L.U (26)	Spain	Marketing of electricity	F.C.	100.00	100.00	105	1
Repsol Directo, Lda.	Repsol Portuguesa, S.A.	Portugal	Distribution and marketing of oil products	F.C.	100.00	100.00	3	2
Repsol Directo, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Distribution and marketing of oil products	F.C.	100.00	96.68	5	—
Repsol Downstream México, S.A. de C.V	Repsol Downstream Internacional, S.A.	Mexico	Production and distribution of lubricants	F.C.	100.00	99.97	47	91
Repsol Energy Ventures, S.A.	Repsol Technology and Ventures, S.L.U.	Spain	Development of new energy products	F.C.	100.00	100.00	26	2
Repsol Exploration Advanced Services, AG	Repsol Exploración S.A.	Switzerland	Human resources service provider	F.C.	100.00	100.00	1	—
Repsol Gas Portugal, Unipessoal, LDA	Repsol Butano, S.A.	Portugal	Marketing of LGP	F.C.	100.00	100.00	27	3
Repsol Generación Eléctrica, S.L.U.	Repsol Electricidad y Gas, S.A.	Spain	Generation of electricity	F.C.	100.00	100.00	849	523
Repsol Ibereólica Renovables Chile SpA (5)	Repsol Chile, S.A.	Chile	Wind power projects	E.M.	50.00	50.00	—	—
Repsol Italia, SpA	Repsol S.A.	Italy	Marketing of oil products	F.C.	100.00	100.00	(4)	2
Repsol Lubricantes y Especialidades, S.A.	Repsol S.A. (30)	Spain	Production and marketing of oil derivatives	F.C.	100.00	99.97	81	5
Repsol Lubrificantes e Especialidades Brasil Participaçoes, Ltda.	Repsol Lubricantes y Especialidades, S.A.	Brazil	Production and marketing of lubricants	F.C.	100.00	100.00	—	2
Repsol Mar de Cortés, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Production and marketing of lubricants	E.M.(J.V.)	50.00	50.00	17	1
Repsol Mar de Cortés Estaciones de Servicio, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Production and marketing of lubricants	E.M.(J.V.)	50.00	50.00	1	—
Repsol Marketing France, S.A.S.U.	Repsol Downstream Internacional, S.A.	France	Marketing of oil products.	F.C.	100.00	100.00	—	—
Repsol Maroc, S.A.(6)	Repsol Butano, S.A.	Morocco	Marketing of LGP	E.M.	99.96	99.96	—	1
Repsol Electricidad y Gas, S.A.(23)	Repsol S.A.	Spain	Production, distribution and sale of biofuels	F.C.	100.00	100.00	1,337	1
Repsol Portuguesa, Lda	Repsol S.A.	Portugal	Distribution and marketing of oil products	F.C.	100.00	100.00	181	118
Repsol Renovables, S.L.U	Repsol Electricidad y Gas, S.A.	Spain	Development of new energy projects	F.C.	100.00	100.00	76	—
Rocsole OY	Repsol Energy Ventures S.A.	Finland	Technology development	E.M.	13.93	13.93	1	7
Servicios Logisticos Combustibles de Aviacion, S.L.	Repsol Lubricantes y Especialidades, S.A.	Spain	Transport of aviation oil products	E.M.(J.V.)	50.00	49.29	18	4
Sociedade Abastecedora de Aeronaves, Lda.	Repsol Portuguesa, S.A.	Portugal	Marketing of oil products	E.M.	25.00	25.00	—	—
Societat Catalana de Petrolis, S.A. (PETROCAT)	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Distribution and marketing of oil products	F.C.	94.94	91.89	—	6
Solgas Distribuidora de Gas, S.L.	Repsol Butano, S.A.	Spain	Marketing of LGP	F.C.	100.00	100.00	1	1
Solred, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Management of payment methods at service stations	F.C.	100.00	96.68	54	26

					December 2020			
					%		€ Million	
Name	Parent company	Country	Corporate purpose	Method of conso. (1)	Control Int. (2)	Total Group Interest	Equity (3)	Share Capital (3)
Soluciones Tecnológicas de Energías Verdes, S.L.U (5)	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Sorbwater Technology, A.S.	Repsol Energy Ventures S.A.	Norway	Water treatment technology management in E&P	E.M.	30.78	30.78	—	9
Terminales Canarios, S.L.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Supply and distribution of oil products	E.M.(J.V.)	50.00	48.34	22	20
Tramperase, S.L.	Repsol Renovables, S.L.U	Spain	Development of solar power projects	F.C.	100.00	100.00	2	—
United Oil Comany Pte. Ltd	Repsol Downstream Internacional, S.A.	Singapore	Production and distribution of lubricants	E.M.	40.00	40.00	25	9
Valdesolar Hive, S.L.	Repsol Renovables, S.L.U	Spain	Development of solar power projects	F.C.	100.00	100.00	6	—
WIB Advance Mobility, S.L.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	City car sharing rentals	E.M.(J.V.)	50.00	48.34	2	—
Windplus, S.A.	Repsol Renovables, S.L.U	Portugal	Technology development for wind generation	E.M.	14.82	13.63	4	2
CORPORATION								
Albatros, S.à.r.L.	Repsol S.A.	Luxembourg	Portfolio company	F.C.	100.00	100.00	3,909	—
AR Oil & Gaz, B.V.	Repsol Exploración S.A.	The Netherlands	Portfolio company	E.M.(J.V.)	49.00	49.00	460	—
Edwards Gas Services LLC	Repsol Oil & Gas USA LLC.	United States	Portfolio company	F.C.	100.00	100.00	85	108
Fortuna International (Barbados) Inc. (13)	Talisman International (Luxembourg), S.a.r.l.	Barbados	Portfolio company	F.C.	100.00	100.00	38	62
Fortuna International Petroleum Corporation	Repsol Exploración, S.A.	Barbados	Portfolio company	F.C.	100.00	100.00	150	148
Gaviota RE, S.A. (7)	Albatros, S.a.r.l.	Luxembourg	Insurance and reinsurance	F.C.	100.00	100.00	325	1
Greenstone Assurance, Ltd.	Gaviota RE, S.A.	Bermuda	Insurance and reinsurance ("run-off" company) (11)	F.C.	100.00	100.00	2	9
Oleoducto de Crudos Pesados, Ltd.	Repsol OCP de Ecuador, S.A.	Cayman Islands	Portfolio company	E.M.	29.66	29.66	131	82
Oleum Insurance Company Ltd.	Repsol Oil & Gas Canada Inc.	Barbados	Insurance and reinsurance ("run-off" company) (11)	F.C.	100.00	100.00	1	—
Repsol Bolivia, S.A.	Repsol Exploración Jamaica, S.A. (28)	Bolivia	Portfolio company	F.C.	100.00	100.00	316	13
Repsol Downstream Internacional, S.A.	Repsol Customer Centric, S.L.U (26)	Spain	Portfolio company	F.C.	100.00	100.00	275	—
Repsol Gestión de Divisa, S.L.	Repsol S.A.	Spain	Financial	F.C.	100.00	100.00	456	—
Repsol International Finance, B.V.	Repsol S.A.	The Netherlands	Financing and holding of shares	F.C.	100.00	100.00	671	301
Repsol Oil & Gas RTS Sdn.Bhd.	Repsol Exploración, S.A.	Malaysia	Shared services company	F.C.	100.00	100.00	1	17
Repsol Oil & Gas SEA Pte. Ltd.	Repsol Exploración, S.A.	Singapore	Shared services company	F.C.	100.00	100.00	5	4
Repsol Services Company	Repsol USA Holdings Corporation	United States	Service provisions	F.C.	100.00	100.00	21	36
Repsol Sinopec Brasil, B.V. (35)	Repsol Exploraçao Brasil, Ltda. (31)	The Netherlands	Portfolio company	E.M.(J.V.)	60.00	60.00	—	—
Repsol Technology and Ventures, S.L.U	Repsol S.A.	Spain	Shared services company	F.C.	100.00	100.00	26	—
Repsol Tesorería y Gestión Financiera, S.A.	Repsol S.A.	Spain	Financial	F.C.	100.00	100.00	359	—
Talisman International (Luxembourg), S.a.r.l.	Repsol Oil & Gas Canada Inc.	Luxembourg	Portfolio company	F.C.	100.00	100.00	1,203	62
Talisman International Holdings B.V.	Repsol Exploración, S.A.	The Netherlands	Portfolio company	F.C.	100.00	100.00	221	596
Talisman Perpetual (Norway) Ltd.	TE Holding S.a.r.l.	United Kingdom	Portfolio company (11)	F.C.	100.00	100.00	—	1
TE Holding S.ar.l.	Albatros, S.À.R.L.(21)	Luxembourg	Portfolio and finance company	F.C.	100.00	100.00	3,525	3,781

(1) Method of consolidation:
F.C.: Full consolidation
E.M.: Equity method. Joint Ventures are identified as "JV".
(2) Percentage corresponding to direct and indirect interest of the parent company immediately above the subsidiary.
(3) Corresponds to Equity and Share Capital data used in the Group´s consolidation process, prior to the adjustments related thereto. Companies whose functional currency is not the euro have been translated at the closing exchange rate. Amounts have been rounded (less than half a million has been rounded down to zero).
(4) Interests in joint operations (see Appendix Ic) which are structured through a company and this vehicle does not limit its rights to the assets or obligations for the liabilities related to the arrangement.
(5) Companies incorporated into the Repsol Group in 2020 (see Appendix Ib).
(6) Company in the process of liquidation.
(7) This company holds a non-controlling interest in Oil Insurance, Ltd (5.54%), domiciled in Bermudas.
(8) This company, legally incorporated in the Bahamas, is registered for tax purposes in the United Kingdom.
(9) These companies, legally incorporated in the British Virgin Islands, are registered for tax purposes in the United Kingdom.

(10) This company is the parent company for Repsol Groundbirch Partnership, registered in the United States.
(11) Inactive company.
(12) This company was formerly known as Puma Energy Perú, S.A.C.
(13) These companies, legally incorporated in Barbados, are registered for tax purposes in the Netherlands.
(14) Share Capital and Equity data correspond to 2019.
(15) Equity relates to the value of the consolidated subgroup.
(16) Equity value included in its parent.
(17) This Company was formerly known as Estaciones de Servicio El Robledo, S.L.U. The change took place in July 2020.
(18) The parent of this company was previously Repsol Comercial de Productos Petrolíferos, S.A. The change took place in July 2020.
(19) The parent of this company was previously Repsol, S.A. The change took place in August 2020.
(20) The parent of this company was previously TE Holding, S.a.r.l.. The change took place in August 2020.
(21) The parent of this company was previously Repsol Oil & Gas Canada, Inc. The change took place in August 2020.
(22) This company was formerly known as Talisman Sakakemang, B.V. The change took place in October 2020.
(23) This company was formerly known as Talisman Andaman, B.V. The change took place in October 2020.
(24) This company was formerly known as Bios Avanzados Tratados del Mediterráneo, S.L. The change took place in November 2020.
(25) The parent of this company was previously Repsol Petróleo, S.A. The change took place in November 2020.
(26) The parent of these companies has changed to Repsol Customer Centric, S.L.U. The change took place in December 2020.
(27) The parent of these companies has changed to Repsol Exploración 17, B.V. The change took place in December 2020.
(28) The parent of these companies has changed to Repsol Exploración Jamaica, S.A. The change took place in December 2020.
(29) The parent of these companies has changed to Repsol Exploración Caribe, S.L. The change took place in December 2020.
(30) The parent of these companies has changed to Repsol, S.A. The change took place in December 2020.
(31) The parent of this company was previously Repsol Sinopec Brasil, S.A. The change took place in November 2020.
(32) This company was formerly known as Occidental de Colombia LLC. The change took place in October 2020.
(33) Talisman Transgasindo Ltd. (a company incorporated in Barbados with tax residence in the Netherlands) has moved (corporate and tax) to Luxembourg, now known as Repsol Transgasindo S.à.r.l."
(34) Talisman Corridor Ltd. (a company incorporated in Barbados with tax residence in the Netherlands) has moved (corporate and tax) to Spain, now known as Repsol Corridor, S.A.
(35) The equity value is also included with Repsol Sinopec Brasil, S.A. (see Note 13).

APPENDIX IB: Main changes in the scope of consolidation

For the year ended December 31, 2020

a) *Business combinations, other acquisitions and acquisitions of interest in subsidiaries, joint ventures and/or associates:*

					2020		
Name	**Country**	**Parent company**	**Item**	**Date**	**Method of consolidation (1)**	**% voting rights acquired**	**% total voting rights in entity following acquisition (2)**
LGA – Logística Global de Aviação, LDA.	Portugal	Repsol Portuguesa, S.A	Acquisition	January-20	E.M.	20.00 %	20.00 %
Aragonesa de Infraestructuras Energéticas Renovables, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Boalar Energías, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Desarrollos Eólicos El Saladar, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Desarrollo Eólico Las Majas VIII, S.L.	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Desarrollo Eólico Las Majas XIV, S.L.	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Desarrollo Eólico Las Majas XV, S.L.	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Desarrollo Eólico Las Majas XXVII, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Desarrollo Eólico Las Majas XXXI, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Energías Renovables de Cilene, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Energías Renovables de Gladiateur 18, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Energías Renovables de Hidra, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Energías Renovables de Kore, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Fuerzas Energéticas del Sur de Europa XIII, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Fuerzas Energéticas del Sur de Europa XIV, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Fuerzas Energéticas del Sur de Europa XVIII, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Fuerzas Energéticas del Sur de Europa XX, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Generación y Suministro de Energía, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Hispánica de Desarrollos Energéticos Sostenibles, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Natural Power Development, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Soluciones Tecnológicas de Energías Verdes, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February-20	F.C.	100.00 %	100.00 %
Finboot Ltd.	UK	Repsol Energy Ventures, S.A.	Share increase	March-20	E.M.	0.07 %	8.41 %
Klikin Deals Spain, S.L.	Spain	Repsol Comercial de Productos Petrolíferos, S.A.	Share increase	April-20	E.M.	0.73 %	70.73 %
Energia Distribuida del Norte, S.A.	Spain	Petróleos del Norte, S.A.	Incorporation	April-20	F.C.	100.00 %	100.00 %
Rocsole OY	Finland	Repsol Energy Ventures S.A.	Share increase	May-20	E.M.	1.43 %	13.93 %
Energías Renovables de Dione, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	June-20	F.C.	100.00 %	100.00 %
Energías Renovables de Lisitea, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	June-20	F.C.	100.00 %	100.00 %
Energías Renovables de Polux, S.L.U,	Spain	Repsol Renovables, S.L.U	Acquisition	June-20	F.C.	100.00 %	100.00 %
Repsol Ibereólica Renovables Chile SpA	Chile	Repsol Chile, S.A.	Acquisition	October-20	E.M.	50.00 %	50.00 %
Eólica del Tatal SpA	Chile	Repsol Chile, S.A.	Acquisition	October-20	E.M.	15.00 %	15.00 %
Klikin Deals Spain, S.L.	Spain	Repsol Comercial de Productos Petrolíferos, S.A.	Share increase	December-20	F.C.	29.27 %	100.00 %
Perseo Biotechnology S.L.U.	Spain	Repsol Energy Ventures S.A.	Acquisition	December-20	E.M.	24.99 %	24.99 %

(1) Method of consolidation:
F.C.: Full consolidation
E.M.: Equity method. Joint Ventures are identified as "JV".
(2) Corresponds to the percentage of equity in the acquired company.

b) *Reduction in interest in subsidiaries, joint ventures, and/or associates and other similar transactions:*

					2020			
Name	**Country**	**Parent company**	**Item**	**Date**	**Method of consolidation (1)**	**% voting rights disposed or derecognized**	**% total voting rights in entity following disposal**	**Profit/ (Loss) (€ Million)**
Repsol Exploración East Bula, B.V.	Netherlands	Repsol Exploración S.A.	Liquidation	January-20	F.C	100.00 %	0.00 %	0
Repsol Exploración Seram, B.V.	Netherlands	Repsol Exploración, S.A.	Liquidation	January-20	F.C	100.00 %	0.00 %	0
Foreland Oil, Ltd.	British Virgin Islands	Rift Oil, Ltd.	Sale	January-20	F.C	100.00 %	0.00 %	Nota (2)
Repsol Oil & Gas Papua Pty, Ltd.	Australia	Repsol Oil & Gas Niugini Pty Ltd.	Sale	January-20	F.C	100.00 %	0.00 %	Nota (2)
Repsol Oil & Gas Niugini Pty, Ltd.	Australia	Talisman International Holdings, B.V.	Sale	January-20	F.C	100.00 %	0.00 %	Nota (2)
Repsol Oil & Gas Niugini Kimu Alpha Pty, Ltd.	Australia	Repsol Oil & Gas Niugini Ltd.	Sale	January-20	F.C	100.00 %	0.00 %	Nota (2)
Repsol Oil & Gas Niugini Kimu Beta, Ltd.	Papua New Guinea	Repsol Oil & Gas Niugini Ltd.	Sale	January-20	F.C	100.00 %	0.00 %	Nota (2)
Repsol Oil & Gas Niugini, Ltd.	Papua New Guinea	Repsol Oil & Gas Papua Pty, Ltd.	Sale	January-20	F.C	100.00 %	0.00 %	Nota (2)
Rift Oil, Ltd.	UK	Talisman International Holdings, B.V.	Sale	January-20	F.C	100.00 %	0.00 %	Nota (2)
CSJC Eurotek - Yugra	Russia	Repsol Exploración Karabashsky, B.V.	Partial reduction	February-20	E.M	0.58 %	70.20 %	1
CSJC Eurotek - Yugra	Russia	Repsol Exploración Karabashsky, B.V.	Partial reduction	April-20	E.M	1.00 %	69.20 %	3
Repsol Louisiana Corporation	USA	Repsol USA Holdings Corporation	Liquidation	April-20	F.C	100.00 %	0.00 %	0
Repsol Exploration Australia Pty, Ltd.	Australia	Repsol Exploración S.A.	Liquidation	April-20	F.C	100.00 %	0.00 %	0
Nanogap Sub n-m Powder S.A.	Spain	Repsol Energy Ventures S.A.	Partial reduction	May-20	E.M	0.10 %	12,52%	0
Principle Power, Inc.	USA	Repsol Energy Ventures S.A.	Partial reduction	May-20	E.M	4.49 %	16.08 %	0
Repsol Exploración Cendrawasih III, B.V.	Netherlands	Repsol Exploración S.A.	Liquidation	May-20	F.C	100.00 %	0.00 %	0
Talisman (Block K 9) B.V.	Netherlands	Talisman Global Holdings, B.V.	Liquidation	June-20	F.C	100.00 %	0.00 %	0
Begas Motor, S.L.	Spain	Repsol Energy Ventures, S.A.	Partial reduction	June-20	E.M	4.23 %	23.70 %	0
Gas Natural West África S.L.	Spain	Repsol LNG Holding, S.A.	Liquidation	July-20	E.M	60.00 %	0.00 %	0
Repsol Angola 35, B.V.	Netherlands	Repsol Exploración S.A.	Liquidation	July-20	F.C	100.00 %	0.00 %	0
Begas Motor, S.L.	Spain	Repsol Energy Ventures, S.A.	Partial reduction	July-20	E.M	4.81 %	18.89 %	0
Principle Power, Inc.	USA	Repsol Energy Ventures S.A.	Partial reduction	September-20	E.M	0.18 %	15.90 %	0
Windplus, S.A.	Portugal	Repsol Renovables, S.L.U	Partial reduction	October-20	E.M	5.77 %	13.63 %	0
Repsol Angola 22, B.V.	Netherlands	Repsol Exploración S.A.	Liquidation	October-20	F.C	100.00 %	0.00 %	0
Repsol Angola 37, B.V.	Netherlands	Repsol Exploración S.A.	Liquidation	October-20	F.C	100.00 %	0.00 %	0
Repsol Aruba, B.V.	Netherlands	Repsol Exploración S.A.	Liquidation	December-20	F.C	100.00 %	0.00 %	0
Repsol Exploración Cendrawasih I, B.V.	Netherlands	Repsol Exploración S.A.	Liquidation	December-20	F.C	100.00 %	0.00 %	0
Repsol Corridor B.V.	Netherlands	Repsol Exploración S.A.	Liquidation	December-20	F.C	100.00 %	0.00 %	0
Talisman Banyumas B.V.	Netherlands	Repsol Exploración, S.A.	Liquidation	December-20	F.C	100.00 %	0.00 %	0
Repsol Exploración Cendrawasih IV, B.V.	Netherlands	Repsol Exploración, S.A.	Liquidation	December-20	F.C	100.00 %	0.00 %	0
Repsol Bulgaria, B.V.	Netherlands	Repsol Exploración, S.A.	Liquidation	December-20	F.C	100.00 %	0.00 %	0
Talisman (Algeria), B.V.	Netherlands	Repsol Exploración, S.A.	Liquidation	December-20	F.C	100.00 %	0.00 %	0

Principle Power (Europe), Ltd.	UK	Producción de electricidad	Sale	December-20	E.M	20.57 %	0.00 %	Nota (3)
Principle Power Portugal Unipessoal, Lda.	Portugal	Producción de electricidad	Sale	December-20	E.M	20.57 %	0.00 %	Nota (3)
Principle Power, Inc.	USA	Holding de grupo de empresas	Sale	December-20	E.M	15.90 %	0.00 %	Nota (3)
CSJC Eurotek - Yugra	Russia	Repsol Exploración Karabashsky, B.V.	Partial reduction	December-20	E.M	0.90 %	69.20 %	1
Repsol Exploration Namibia Pty, Ltd.	Namibia	Repsol Exploración S.A.	Liquidation	December-20	F.C	100.00 %	0.00 %	0

(1) Method of consolidation:
F.C.: Full consolidation
E.M.: Equity method. Joint Ventures are identified as "JV".
(2) Reflects the scope of the sale of the Group's interest in seven onshore blocks in Papua New Guinea, which generated a profit after tax of €63 million.
(3) Reflects the scope of the sale of the Group's interest in Principle Power, which generated a profit after tax of €5 million.

For the year ended December 31, 2019

a) *Business combinations, other acquisitions and acquisitions of interest in subsidiaries, joint ventures and/or associates:*

Name	Country	Parent company	Item	Date	2019 Method of consolidation [1]	2019 % voting rights acquired	2019 % total voting rights in entity following acquisition [2]
Agrícola Comercial Valle de Santo Domingo, S.A	Mexico	Repsol Downstream Internacional, S.A	Acquisition	January-19	E.M.(J.V.)	20.00 %	20.00 %
Autoservicio Sargento, S.A. de C.V.	Mexico	Repsol Downstream Internacional, S.A	Acquisition	January-19	E.M.(J.V.)	50.00 %	50.00 %
Combustibles Sureños, S.A. de C.V.	Mexico	Repsol Downstream Internacional, S.A	Acquisition	January-19	E.M.(J.V.)	50.00 %	50.00 %
Estación de Servicio Bahía Asunción, S.A. de C.V.	Mexico	Repsol Downstream Internacional, S.A	Acquisition	January-19	E.M.(J.V.)	50.00 %	50.00 %
Gutsa Servicios, S.A. de C.V.	Mexico	Repsol Downstream Internacional, S.A	Acquisition	January-19	E.M.(J.V.)	50.00 %	50.00 %
Palmira Market, S.A. de C.V.	Mexico	Repsol Downstream Internacional, S.A	Acquisition	January-19	E.M.(J.V.)	50.00 %	50.00 %
Repsol Mar de Cortés Estaciones de Servicio, S.A. de C.V.	Mexico	Repsol Downstream Internacional, S.A	Acquisition	January-19	E.M.(J.V.)	50.00 %	50.00 %
Repsol Mar de Cortés, S.A. de C.V.	Mexico	Repsol Downstream Internacional, S.A	Acquisition	January-19	E.M.(J.V.)	50.00 %	50.00 %
Sorbwater Technology, A.S.	Norway	Repsol Energy Ventures, S.A.	Shares increase	January-19	E.M.	9.35 %	20.64 %
Ampere Power Energy, S.L.	Spain	Repsol Energy Ventures, S.A.	Acquisition	February-19	E.M.	7.89 %	7.89 %
Begas Motor, S.L.	Spain	Repsol Energy Ventures, S.A.	Acquisition	February-19	E.M.	36.19 %	36.19 %
Refinería La Pampilla, S.A.	Peru	Repsol Perú B.V.	Shares increase	March-19	F.C.	10.04 %	92.42 %
Alectoris Energía Sostenible 1, S.L.	Spain	Repsol Renovables, S.L.U. [4]	Acquisition	June-19	F.C.	100.00 %	100.00 %
Alectoris Energía Sostenible 3, S.L.	Spain	Repsol Renovables, S.L.U. [4]	Acquisition	June-19	F.C.	100.00 %	100.00 %
Arco Energía 1, S.L.U.	Spain	Repsol Renovables, S.L.U. [4]	Acquisition	June-19	F.C.	100.00 %	100.00 %
Arco Energía 2, S.L.U.	Spain	Repsol Renovables, S.L.U. [4]	Acquisition	June-19	F.C.	100.00 %	100.00 %
Arco Energía 3, S.L.U.	Spain	Repsol Renovables, S.L.U. [4]	Acquisition	June-19	F.C.	100.00 %	100.00 %
Arco Energía 4, S.L.U.	Spain	Repsol Renovables, S.L.U. [4]	Acquisition	June-19	F.C.	100.00 %	100.00 %
Arco Energía 5, S.L.U.	Spain	Repsol Renovables, S.L.U. [4]	Acquisition	June-19	F.C.	100.00 %	100.00 %
Desarrollo Eólico Las Majas VII, S.L.	Spain	Repsol Renovables, S.L.U. [4]	Acquisition	June-19	F.C.	100.00 %	100.00 %
Fuerzas Energéticas del Sur de Europa V, S.L.	Spain	Repsol Renovables, S.L.U. [4]	Acquisition	June-19	F.C.	100.00 %	100.00 %
Fuerzas Energéticas del Sur de Europa VI, S.L.	Spain	Repsol Renovables, S.L.U. [4]	Acquisition	June-19	F.C.	100.00 %	100.00 %
Fuerzas Energéticas del Sur de Europa XI, S.L.	Spain	Repsol Renovables, S.L.U. [4]	Acquisition	June-19	F.C.	100.00 %	100.00 %
Fuerzas Energéticas del Sur de Europa XII, S.L.	Spain	Repsol Renovables, S.L.U. [4]	Acquisition	June-19	F.C.	100.00 %	100.00 %
Generación Eólica El Vedado, S.L.	Spain	Repsol Renovables, S.L.U. [4]	Acquisition	June-19	F.C.	100.00 %	100.00 %
Iberen Renovables, S.A.	Spain	Repsol Renovables, S.L.U. [4]	Acquisition	June-19	F.C.	100.00 %	100.00 %
Renovacyl, S.A.	Spain	Iberen Renovables, S.A.	Acquisition	June-19	F.C.	100.00 %	100.00 %
Repsol Greece Ionian, S.L.	Spain	Repsol Exploración, S.A.	Incorporation	June-19	F.C.	100.00 %	100.00 %
Bios Avanzados Tratados del Mediterráneo, S.L.	Spain	Repsol Petróleo, S.A.	Incorporation	July-19	F.C.	100.00 %	100.00 %
Finboot Ltd.	UK	Repsol Energy Ventures, S.A.	Acquisition	July-19	E.M.	8.34 %	8.34 %
Repsol Exploración Aru, S.L.	Spain	Repsol Exploración, S.A.	Incorporation	July-19	F.C.	100.00 %	100.00 %
Repsol Exploración West Papúa IV, S.L.	Spain	Repsol Exploración, S.A.	Incorporation	July-19	F.C.	100.00 %	100.00 %
Principle Power Inc.	USA	Repsol Energy Ventures, S.A	Incorporation	July-19	E.M.	0.05 %	23.03 %
Belmont Technology Inc.	Spain	Repsol Energy Ventures, S.A	Incorporation	August-19	E.M.	11.18 %	11.18 %
Repsol Renovables, S.L.U.	Spain	Repsol Electricidad y Gas, S.A (3)	Incorporation	September-19	F.C.	100.00 %	100.00 %
Repsol Oil & Gas Gulf of Mexico, LLC	USA	Repsol E&P USA Holdings, Inc.	Acquisition	November-19	F.C.	100.00 %	100.00 %
United Oil Company Pte. Ltd	Singapore	Repsol Downstream Internacional, S.A	Acquisition	November-19	E.M.	40.00 %	40.00 %
PT Pacific Lubritama Indonesia	Indonesia	United Oil Company Pte. Ltd	Acquisition	November-19	E.M.	95.00 %	95.00 %
Nanogap Sub n-m Powder S.A.	Spain	Repsol Energy Ventures S.A.	Shares increase	December-19	E.M.	3.84 %	12.62 %
Repsol Technology and Ventures, S.L.U	Spain	Repsol, S.A.	Incorporation	December-19	F.C.	100.00 %	100.00 %
Tramperase, S.L.	Spain	Repsol Renovables, S.L.U	Acquisition	December-19	F.C.	100.00 %	100.00 %
Sorbwater Technology, A.S.	Norway	Repsol Energy Ventures, S.A.	Shares increase	December-19	E.M.	10.14 %	30.78 %
Edwards Gas Services LLC	USA	Repsol Oil & Gas USA LLC.	Shares increase	December-19	F.C.	63.00 %	100.00 %

[(1)] Method of consolidation:
F.C.: Full consolidation
E.M.: Equity method. Joint Ventures are identified as "JV".
[(2)] Corresponds to the percentage of equity in the acquired company.
[(3)] Company formerly known as Repsol Nuevas Energias, S.A. The name was changed on September 2019.
[(4)] Change from the Repsol Electricity and Gas Matrix to the Repsol Renewables Matrix. The change in the matrix took place in November 2019.

b) Reduction in interest in subsidiaries, joint ventures, and/or associates and other similar transactions:

					2019			
Name	**Country**	**Parent company**	**Item**	**Date**	**Method of consolidation** [1]	**% voting rights disposed or derecognized**	**% total voting rights in entity following disposal**	**Profit/ (Loss) (€ Million)**
Repsol Energy Canadá, Ltd. [2]	Canada	Repsol Exploración, S.A.	Absorption	January-19	F.C.	100.00 %	0.00 %	0
TEGSI (UK), Ltd.	UK	TE Holding, S.a.r.l.	Liquidation	January-19	F.C.	100.00 %	0.00 %	0
Talisman South Mandar, B.V.	Netherlands	Talisman International Holdings, B.V.	Liquidation	February-19	F.C.	100.00 %	0.00 %	0
Talisman Sadang, B.V.	Netherlands	Talisman International Holdings, B.V.	Liquidation	February-19	F.C.	100.00 %	0.00 %	0
Gastream México, S.A. de C.V.	Mexico	Repsol, S.A.	Liquidation	February-19	F.C.	100.00 %	0.00 %	0
Repsol Exploración Cendrawasih II, B.V.	Netherlands	Repsol Exploración S.A.	Liquidation	April-19	F.C.	100.00 %	0.00 %	0
Begas Motor, S.L.	Spain	Repsol Energy Ventures, S.A.	Partial reduction	April-19	E.M.	8.26 %	27.93 %	0
Repsol Exploración Liberia, B.V.	Netherlands	Repsol Exploración, S.A.	Liquidation	June-19	F.C.	100.00 %	0.00 %	0
Repsol Exploración Liberia LB-10, B.V.	Netherlands	Repsol Exploración, S.A.	Liquidation	June-19	F.C.	100.00 %	0.00 %	0
CSJC Eurotek - Yugra	Russia	Repsol Exploración Karabashsky, B.V.	Partial reduction	August-19	E.M.(J.V.)	0.35 %	71.16 %	1
TV 05-2/10 Holding B.V.	Netherlands	Talisman International Holdings, B.V.	Liquidation	August-19	F.C.	100.00 %	0.00 %	0
Talisman (Block K 44), B.V.	Iraq	Repsol Exploración, S.A.	Liquidation	September-19	F.C.	100.00 %	0.00 %	0
Repsol Company of Portugal, Ltd. [3]	Portugal	Repsol, S.A.	Absorption	September-19	F.C.	100.00 %	0.00 %	0
Ampere Power Energy, S.L.	Spain	Repsol Energy Ventures, S.A.	Partial reduction	November-19	E.M.(J.V.)	0.71 %	7.18 %	0
CSJC Eurotek - Yugra	Russia	Repsol Exploración Karabashsky, B.V.	Partial reduction	December-19	E.M.(J.V.)	0.39 %	70.78 %	1
Belmont Technology Inc., S.L.	Spain	Repsol Energy Ventures, S.A.	Partial reduction	December-19	E.M.	1.31 %	9.87 %	0
Principle Power Inc.	USA	Repsol Energy Ventures, S.A	Partial reduction	December-19	E.M.	2.46 %	20.57 %	0
Saint John Gas Marketing Company	USA	Repsol St. John LNG, S.L.	Liquidation	December-19	F.C.	100.00 %	0.00 %	0
Talisman (Pasangkayu) Ltd	Canada	Repsol Oil & Gas Canada Inc.	Liquidation	December-19	F.C.	100.00 %	0.00 %	0
Talisman (Vietnam 46/02) Ltd	Canada	Repsol Oil & Gas Canada Inc.	Liquidation	December-19	F.C.	100.00 %	0.00 %	0
Repsol E&P Canada ,Ltd.	Canada	Repsol Exploración S.A.	Liquidation	December-19	F.C.	100.00 %	0.00 %	0

[1] Method of consolidation:
F.C.: Full consolidation
E.M.: Equity method. Joint Ventures are identified as "JV".
[2] Company absorbed by Repsol Oil & Gas Canada, Inc.
[3] Company absorbed by Repsol Portuguesa, S.A.

APPENDIX IC: Joint operations of the Repsol group at December 31, 2020

The Repsol Group's main Joint Operations (see Note 3.4) are shown below (including those in which the Group is involved through a joint arrangement)[38]:

Name	Interest (1)	Operator	Activity
Angola			
Block - 35	25.00%	ENI	Exploration
Argelia			
El Merk (EMK) Field Unit Agt	9.10%	Groupement Berkine	Development/Production
Greater MLN	35.00%	Pertamina	Development/Production
Menzel Ledjmet Sud-Est /405a	35.00%	Pertamina	Development/Production
Ourhoud Field / 404,405,406a	1.92%	Organisation Ourhoud	Development/Production
Reggane Nord	29.25%	Groupement Reggane	Development/Production
Tin Fouye Tabenkort	22.62%	Groupement TFT	Development/Production
Australia			
JPDA 06-105 PSC	25.00%	ENI	Development/Production
Bolivia			
Arroyo Negro	48.33%	YPF B Andina, S.A	Development/Production
Boqueron	48.33%	YPF B Andina, S.A	Development/Production
Camiri	48.33%	YPF B Andina, S.A	Development/Production
Carohuaicho 8D	48.33%	YPF B Andina, S.A	Exploration
Cascabel	48.33%	YPF B Andina, S.A	Development/Production
Cobra	48.33%	YPF B Andina, S.A	Development/Production
Enconada	48.33%	YPF B Andina, S.A	Development/Production
Guairuy	48.33%	YPF B Andina, S.A	Development/Production
Iñiguazu	37.50%	Repsol	Exploration
La Peña-Tundy	48.33%	YPF B Andina, S.A	Development/Production
Los Penocos	48.33%	YPF B Andina, S.A	Development/Production
Los Sauces	48.33%	YPF B Andina, S.A	Development/Production
Margarita-Huacaya	37.50%	Repsol	Development/Production
Monteagudo	39.67%	Repsol	Development/Production
Palacios	48.33%	YPF B Andina, S.A	Development/Production
Patuju	48.33%	YPF B Andina, S.A	Development/Production
Puerto Palos	48.33%	YPF B Andina, S.A	Development/Production
Rio Grande	48.33%	YPF B Andina, S.A	Development/Production
San Antonio - Sabalo	24.17%	Petrobras	Development/Production
San Alberto	24.17%	Petrobras	Development/Production
Sirari	48.33%	YPF B Andina, S.A	Development/Production
Vibora	48.33%	YPF B Andina, S.A	Development/Production
Yapacani	48.33%	YPF B Andina, S.A	Development/Production
Brazil			
Albacora Leste	6.00%	Petrobras	Development/Production
BM-C-33 (C-M-539)	21.00%	Equinor	Development/Production
BM-S-51 (S-M-619)	12.00%	Petrobras	Exploration
BM-S-50 (S-M-623) Sagitario	12.00%	Petrobras	Exploration
BM-S-9 Concesion Sapinhoá	15.00%	Petrobras	Development/Production
BM-S-9 PSC Sapinhoá	15.00%	Petrobras	Development/Production
BM-S-9A Lapa	15.00%	Total	Development/Production
C-M-821	40.00%	Repsol	Exploration
C-M-823	40.00%	Repsol	Exploration
C-M-825	60.00%	Repsol	Exploration
C-M-845	40.00%	Chevron	Exploration
S-M-764	40.00%	Chevron	Exploration
S-M-766	40.00%	Chevron	Exploration

[38] Joint operations in the Upstream segment include the blocks of joint operations where the Group holds acreage for exploration, development and production of oil and gas.

Name	Interest [(1)]	Operator	Activity
Bulgaria			
1-14 Khan Kubrat	20.00%	Shell	Exploration
Canada [(2)]			
Chauvin Alberta	62.00%	Repsol	Development/Production
Chauvin Saskatchewan	92.00%	Repsol	Development/Production
Edson	79.00%	Repsol	Development/Production
Groundbirch No Montney Rights	35.00%	Others	Development/Production
Misc. Alberta	54.00%	Repsol	Exploration
Misc. British Columbia	88.00%	Repsol	Exploration
Misc. Saskatchewan	87.00%	Repsol	Exploration
Northwest Territories	4.00%	Others	Exploration
Nunavut	2.00%	Others	Exploration
Wild River Region	55.00%	Repsol	Development/Production
Yukon	1.05%	Others	Exploration
Colombia			
CPO-9 Akacias Production Area	45.00%	Ecopetrol	Development/Production
Caguan 5	50.00%	Frontera Energy	Exploration
Caguan 6	40.00%	Frontera Energy	Exploration
Catleya	50.00%	Ecopetrol	Exploration
Chipirón	8.75%	Ecopetrol	Development/Production
COL-4	50.01%	Repsol	Exploration
CPE-8	50.00%	Repsol	Exploration
CPO-9 - Exploration Area	45.00%	Ecopetrol	Exploration/Production
Cravo Norte	5.63%	Oxycol	Development/Production
Gua Off 1	50.00%	Repsol	Exploration
Mundo Nuevo	30.00%	Equion	Exploration
Cosecha	17.50%	Oxycol	Development/Production
Rondón	6.25%	Oxycol	Development/Production
Ecuador			
Block 16	35.00%	Repsol	Service Contract
Tivacuno	35.00%	Repsol	Service Contract
Spain			
Albatros	82.00%	Repsol	Development/Production
Angula	53.85%	Repsol	Development/Production
Boquerón	61.95%	Repsol	Development/Production
Casablanca - Montanazo Unificado	68.67%	Repsol	Development/Production
Casablanca No Unificado	67.35%	Repsol	Development/Production
Montanazo D	72.44%	Repsol	Development/Production
Rodaballo	65.42%	Repsol	Development/Production
Barracuda	60.21%	Repsol	Development/Production
United States [(2)]			
Alaska			
North Slope Horseshoe project (49 blocks)	49.00%	Oil Search	Exploration
North Slope Pikka	49.00%	Oil Search	Exploration
North Slope Exploration 37,24% (40 blocks)	37.24%	Oil Search	Exploration
North Slope Exploration 49% (82 blocks)	49.00%	Oil Search	Exploration
Gulf of Mexico			
Alaminos Canyon Blacktip project (4 blocks)	8.50%	Shell	Exploration
Alaminos Canyon Blacktip North project (3 blocks)	8.50%	Shell	Exploration
Alaminos Canyon Bobcat project (2 blocks)	8.50%	Shell	Exploration
Alaminos Canyon Lucille project (3 blocks)	8.50%	Shell	Exploration
Garden Banks Blacktail project (4 blocks)	50.00%	Repsol	Exploration
Green Canyon - Shenzi (6 blocks)	28.00%	BHP	Development/Production
Keathley Canyon Leon (4 blocks)	50.00%	Llog	Exploration
Keathley Canyon Buckskin (7 blocks)	22.50%	Llog	Development/Production

Name	Interest [1]	Operator	Activity
Keathley Canyon Moccasin	30.00%	Llog	Exploration
Keathley Canyon Noel (2 blocks)	50.00%	Llog	Exploration
Walker Ridge Monument project (6 blocks)	20.00%	Equinor	Exploration
Eagle Ford			
Eagle Ford Texas	85.69%	Repsol	Development/Production
Marcellus			
Marcellus New York (*) Exploration Unconventional	99.70%	Repsol	Exploration
Marcellus New York	86.17%	Repsol	Development/Production
Marcellus Pennsylvania	83.11%	Repsol	Development/Production
Greece			
Aitoloakarnania	60.00%	Repsol	Exploration
Ioannina	60.00%	Repsol	Exploration
Ionian Block	50.00%	Repsol	Exploration
Guyana			
Kanuku	37.50%	Repsol	Exploration
Indonesia			
Andaman III	51.00%	Repsol	Exploration
Corridor PSC	36.00%	Conoco	Development/Production
East Jabung	51.00%	Repsol	Exploration
South Sakakemang	80.00%	Repsol	Exploration
Sakakemang	45.00%	Repsol	Exploration
South East Jambi	40.00%	Repsol	Exploration
Ireland			
FEL 3/04 (Dunquin)	33.56%	ENI	Exploration
Libya			
NC-115 (Development)	20.00%	Akakus	Development/Production
NC-115 (Exploration)	40.00%	Repsol	Exploration
NC-186 (Development)	16.00%	Akakus	Development/Production
NC-186 (Exploration)	32.00%	Repsol	Exploration
Malasia			
PM-03 CAA	35.00%	Repsol	Development/Production
PM-305	60.00%	Repsol	Development/Production
PM-314	60.00%	Repsol	Development/Production
2012 Kinabalu Oil Fields	60.00%	Repsol	Development/Production
Morocco			
Tanfit	37.50%	Repsol	Exploration
Mexico			
Bloque 10	40.00%	Repsol	Exploration
Bloque 11	60.00%	Repsol	Exploration
Bloque 14	50.00%	Repsol	Exploration
Bloque 29	30.00%	Repsol	Exploration
Norway			
PL 019 G	61.00%	Aker BP	Development/Production
PL 019B	61.00%	Repsol	Development/Production
PL 025	15.00%	Equinor	Development/Production
PL 038C	70.00%	Repsol	Development/Production
PL 052	27.00%	Equinor	Development/Production
PL 053B	33.84%	Wintershall DEA	Development/Production
PL 055	33.84%	Wintershall DEA	Development/Production
PL 055B	33.84%	Wintershall DEA	Development/Production
PL 055D	33.84%	Wintershall DEA	Development/Production
PL 055E	33.84%	Wintershall DEA	Development/Production
PL 092	7.65%	Equinor	Development/Production
PL 120	11.00%	Equinor	Development/Production

Name	Interest [1]	Operator	Activity
PL 120 CS	11.00%	Equinor	Development/Production
PL 121	7.65%	Equinor	Development/Production
PL 185	33.84%	Wintershall DEA	Development/Production
PL 187	15.00%	Equinor	Development/Production
PL 316	55.00%	Repsol	Development/Production
PL 316B	55.00%	Repsol	Development/Production
PL 972	40.00%	Repsol	Exploration
PL 976	30.00%	Lundin	Exploration
Peru			
Bloque 56	10.00%	Pluspetrol	Development/Production
Bloque 57	53.84%	Repsol	Development/Production
Bloque 88	10.00%	Pluspetrol	Development/Production
Iraq			
Topkhana	80.00%	Repsol	Development/Production
United Kingdom			
P534 (98/06a-Wareham)	2.55%	Perenco	Development/Production
P534 (98/06a-Wych Farm UOA)	2.53%	Perenco	Development/Production
PL089 (SZ/8, SY/88b, SY/98a)	2.55%	Perenco	Development/Production
P201 (16/21a)	7.65%	Premier	Development/Production
P201 (16/21d)	7.65%	Premier	Development/Production
P344 (16/21b_F1*-Balmoral Field Area)	8.06%	Premier	Development/Production
P344 (16/21c_f1*)	7.81%	Premier	Development/Production
P344 (16/21c_f1*-Balmoral)	8.06%	Premier	Development/Production
P019 (22/17n)	30.08%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P020 (22/18n)	30.08%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P073 (30/18_E)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P111 (30/3a Blane Field)	30.75%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P111 (30/3a Upper)	15.55%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P116 (30/16n)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P185 (30/11b inc. Fulmar field)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P219 (16/13a)	19.47%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P220 (15/17n-F2- Piper+ rest of Block)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P237 (15/16a)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P240 (16/22a- non Arundel Area)	18.86%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P241 (21/1c)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P241/P244 (21/1c/21/2a- Cretaceus Area West)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P244 (21/2a)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P249 (14/19n Residual)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P249 (14/19n_F1- Claymore)	47.16%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P249 (14/19n_F2- Scapa/Claymore)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P250 (14/19s- F1)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P250 (14/19s- Rest of Block)_Develop	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P256 (30/16s)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P263 (14/18a)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P266 (30/17b)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P291 (22/17s)	30.08%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P291 (22/22a)	30.08%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P291 (22/23a)	30.08%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P292 (22/18a)	30.08%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P295 (30/16a)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P295 (30/16b)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P295 (30/16c)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P295 (30/16t Auk field area)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P297 (13/28a Ross)	35.28%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P307 (13/29a Ross)	35.28%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P324 (14/20b)	25.50%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P324 (14/20b-Claymore Extension)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P324 (14/20b-f1+f2)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P324 (15/16b)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production

Name	Interest [1]	Operator	Activity
P324 (15/23a)_Developm.	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P344 (16/21b Rest of Block)	30.60%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P344 (16/21c*- Rest of block excluding Stirling)	30.60%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P729 (13/29b - Blake Ext Non Skate_Devel.)	40.80%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P729 (13/29b - Ross Unitised Field UUOA interests)	35.28%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P810 (13/24b Blake Area)	34.53%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P810 (13/24b North)	35.28%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P973 (13/28c)	35.28%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P255 (30/14 Flyndre Area)	3.83%	NEO Energy Production UK Limited	Development/Production
P255 (30/19a Affleck)	16.98%	NEO Energy Production UK Limited	Development/Production
P073 (30/18_W)	51.00%	Repsol Sinopec Resources UK, Ltd.	Exploration
P079 (30/13a - Contract Area C East)	31.88%	Repsol Sinopec Resources UK, Ltd.	Exploration
P101 (13/24a Blake)	34.53%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P185 (30/11b)	30.60%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P185 (30/12b inc. Halley field)	30.60%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P250 (14/19a)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P297 (13/28a)	33.02%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P307 (13/29a)	36.55%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P324 (15/23a)	51.00%	Repsol Sinopec Resources UK, Ltd.	Exploration
P593 (20/05c)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P983 (13/23b)	25.50%	Repsol Sinopec Resources UK, Ltd.	Exploration
P534 (98/07a)	2.55%	Perenco	Exploration
P225 (16/27a- Contract Area 3)	13.50%	JX Nippon	Exploration
P225 (16/27a- Contract Area 3 Andrew Field Area)	5.03%	BP	Development/Production
Russia			
Alkanovskoe	49.00%	AROG	Development/Production
Avgustovskoe	49.00%	AROG	Development/Production
Bazhkovskoe	49.00%	AROG	Development/Production
Borschevskoe	49.00%	AROG	Development/Production
Karabashskiy 1	50.03%	Eurotek Yugra	Exploration
Karabashskiy 2	50.03%	Eurotek Yugra	Exploration
Karabashskiy 3	50.03%	Eurotek Yugra	Exploration
Karabashskiy 9	50.03%	Eurotek Yugra	Exploration
Kileyskiy	50.03%	Eurotek Yugra	Exploration
Kochevnenskoe	49.00%	AROG	Development/Production
Kovalevskoe	49.00%	AROG	Development/Production
Kulturnenskoe	49.00%	AROG	Development/Production
North-Borschevskoe	49.00%	AROG	Development/Production
Novo-Kievskoe	49.00%	AROG	Development/Production
Penzenskoe	49.00%	AROG	Development/Production
Saratovskoe	49.00%	AROG	Development/Production
Solnechnoe	49.00%	AROG	Development/Production
South-Kultashikhskoe	49.00%	AROG	Development/Production
South-Solnechnoe	49.00%	AROG	Development/Production
Stepnoozerskoe	48.79%	AROG	Development/Production
Sverdlovsky 4	50.03%	Eurotek Yugra	Exploration
West-Avgustovskoe	49.00%	AROG	Development/Production
West-Kochevnenskoe	49.00%	AROG	Development/Production
Elginskoe	48.79%	AROG	Development/Production
Elginskoe (Exploration)	48.79%	AROG	Exploration
Cheremushskiy	49.00%	AROG	Exploration
East-Kulturnenskiy	49.00%	AROG	Exploration
West-Borschevskoe	48.79%	AROG	Development/Production
Karabashskiy 10	50.01%	ASB Geo	Exploration
Novenkoe	49.00%	AROG	Development/Production
Petrovskoe	49.00%	AROG	Development/Production
Pushkarihinskiy	49.00%	AROG	Exploration
Verblyuzhe	49.00%	AROG	Development/Production
Taininskoe	49.00%	AROG	Development/Production
Skrytoe	49.00%	AROG	Development/Production

Name	Interest [1]	Operator	Activity
North-Kakamelikskoe	49.00%	AROG	Development/Production
Sablerovskiy	49.00%	AROG	Exploration
Trinidad & Tobago			
5B Manakin	30.00%	BP Amoco	Development/Production
East Block	30.00%	BP Amoco	Development/Production
S.E.C.C. Ibis	10.80%	EOG	Development/Production
West Block	30.00%	BP Amoco	Development/Production
Venezuela			
Barua Motatán	40.00%	Petroquiriquire	Development/Production
Carabobo	11.00%	Petrocarabobo	Development/Production
Cardón IV Oeste	50.00%	Cardon IV	Development/Production
Mene Grande	40.00%	Petroquiriquire	Development/Production
Quiriquire	40.00%	Petroquiriquire	Development/Production
Quiriquire Gas	60.00%	Quiriquire Gas	Development/Production
Yucal Placer Norte	15.00%	Ypergas	Development/Production
Yucal Placer Sur	15.00%	Ypergas	Development/Production
Vietnam			
Bloque 07/03[3]	51.75%	Repsol	Development/Production
Block 135 & 136/03[3]	40.00%	Repsol	Exploration
Block 133 & 134	49.00%	Repsol	Exploration
Block 146 & 147	80.00%	Repsol	Exploration
Block 46-CN	70.00%	Repsol	Development/Production
Block 15-2/01	60.00%	Thang Long JOC	Development/Production
Block 16-1 (TGT- Unitization)	1.64%	Hoang Long JOC	Development/Production
DOWNSTREAM			
Canada			
Canaport LNG Ltd Partnership	75.00%	Repsol	Regasification GNL
Spain			
Asfaltos Españoles, S.A.	50.00%	Repsol	Asphalts
Iberian Lube Base Oils Company, S.A.	30.00%	SK Lubricants	Lubricants and specialized products

(1) Corresponds to the Group company's interest in the joint arrangement.
(2) Mining domain rights in Canada and the United States are articulated over a large number of Joint Operating Agreements (JOAs). They have been grouped by geographical areas and Repsol's interest.
(3) Assets whose activity is suspended and for which there is an agreement with *PetroVietnam* to transfer them (see Note 14).

APPENDIX II: Segment reporting and reconciliation with EU-IFRS financial statements[39]

Income statement figures

The reconciliation between adjusted net income and EU-IFRS net income at December 31, 2020 and 2019, is as follows:

€ Million

	ADJUSTMENTS											
	Adjusted net income		Reclassifications of joint ventures		Special items		Inventory effect		Total adjustments		Net income under EU-IFRS	
Results	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Operating income	1,135	3,661	682	(529)	(3,017)	(6,343)	(1,354)	(40)	(3,689)	(6,912)	(2,554)	(3,251)
Financial result	(238)	(390)	60	111	37	(22)	—	—	97	89	(141)	(301)
Net income from equity affiliates	6	22	(618)	324	3	5	—	—	(615)	329	(609)	351
Income before tax	**903**	**3,293**	**124**	**(94)**	**(2,977)**	**(6,360)**	**(1,354)**	**(40)**	**(4,207)**	**(6,494)**	**(3,304)**	**(3,201)**
Income tax	(299)	(1,227)	(124)	94	63	536	344	9	283	639	(16)	(588)
Income from continuing operations	**604**	**2,066**	**—**	**—**	**(2,914)**	**(5,824)**	**(1,010)**	**(31)**	**(3,924)**	**(5,855)**	**(3,320)**	**(3,789)**
Income attributed to minority interests	(4)	(24)	—	—	3	1	32	(4)	35	(3)	31	(27)
Net income from continuing operations	**600**	**2,042**	**—**	**—**	**(2,911)**	**(5,823)**	**(978)**	**(35)**	**(3,889)**	**(5,858)**	**(3,289)**	**(3,816)**
Net income from discontinued operations	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL NET INCOME ATTRIBUTED TO THE PARENT	**600**	**2,042**	**—**	**—**	**(2,911)**	**(5,823)**	**(978)**	**(35)**	**(3,889)**	**(5,858)**	**(3,289)**	**(3,816)**

€ Million

	Income from ordinary activities (2)		Net income from operations		Provisions for amortization of fixed assets (3)		Impairment income / (expenses)		Net income from entities valued using the equity method		Income tax	
Segments	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Upstream	4,228	6,904	351	1,969	(1,668)	(2,157)	(3,189)	(5,998)	10	29	(167)	(948)
Industrial	25,384	38,524	369	1,189	(812)	(747)	128	249	—	(1)	(74)	(262)
Commercial and Renewables	16,489	23,964	650	738	(333)	(300)	(17)	(45)	1	(1)	(157)	(185)
Corporate	(11,138)	(17,359)	(235)	(235)	(67)	(85)	(3)	(2)	(5)	(5)	99	168
Adjusted figures (1)	**34,963**	**52,033**	**1,135**	**3,661**	**(2,880)**	**(3,289)**	**(3,081)**	**(5,795)**	**6**	**22**	**(299)**	**(1,227)**
Adjustments:												
Upstream	(1,265)	(2,226)	(2,431)	(6,885)	651	836	922	473	(630)	304	380	89
Industrial	(242)	(288)	(1,210)	114	12	10	—	—	12	23	179	(212)
Commercial and Renewables	(174)	(194)	(53)	(97)	10	9	—	—	1	3	26	25
Corporate	—	3	5	(44)	—	—	—	—	2	(1)	(302)	3
EU-IFRS FIGURES	**33,282**	**49,328**	**(2,554)**	**(3,251)**	**(2,207)**	**(2,434)**	**(2,159)**	**(5,322)**	**(609)**	**351**	**(16)**	**(588)**

(1) Figures drawn up according to the Group´s reporting model described in Note 4.
(2) Corresponds to the sum of "*Sales*" and "*Services rendered and other income*" (see Note 19.1). The itemization by provenance (customers or inter-segment transactions) is as follows:

€ Million

	Customers		Inter-segment		Total	
Segments	2020	2019	2020	2019	2020	2019
Upstream	3,047	5,270	1,181	1,634	4,228	6,904
Industrial	15,556	22,915	9,828	15,609	25,384	38,524
Commercial and Renewables	16,359	23,847	130	117	16,489	23,964
Corporate	1	1	—	—	1	1
(-) Adjustments and eliminations of operating income between segments	—	—	(11,139)	(17,360)	(11,139)	(17,360)
TOTAL	**34,963**	**52,033**	**—**	**—**	**34,963**	**52,033**

(3) Including depreciation of failed exploratory drilling. For more information, see Note 19.

[39] Some of these metrics presented in this Appendix are Alternative Performance Measures (APMs) in accordance with European Securities Markets Authority (ESMA) guidelines. For further information, see Appendix I of the Consolidated Management Report.

Balance sheet figures

	€ Million							
	Non-current assets		Net operating investments (2)		Capital employed (3)		Investments accounted for using the equity method	
Segments	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Upstream	16,248	21,115	948	2,429	12,608	17,205	184	217
Industrial	8,552	9,134	565	885	9,755	10,717	6	4
Commercial and Renewables	4,252	3,680	739	491	4,061	3,361	67	38
Corporate	623	740	56	56	893	2,009	22	—
ADJUSTED FIGURES (1)	**29,675**	**34,669**	**2,308**	**3,861**	**27,317**	**33,292**	**279**	**259**
Adjustments:								
Upstream	(4,828)	(6,593)	(230)	(499)	2,446	2,539	5,264	6,563
Industrial	(151)	(143)	(14)	(16)	1	39	202	250
Commercial and Renewables	(120)	(127)	(46)	(12)	15	5	152	164
Corporate	—	—	—	—	—	—	—	1
EU-IFRS FIGURES	**24,576**	**27,806**	**2,018**	**3,334**	**29,779**	**35,875**	**5,897**	**7,237**

(1) Figures drawn up according to the Group's reporting model described in Note 4.
(2) Excludes "*Non-current financial investments*", "*Deferred tax assets*" and "*Other non-current assets*".
(3) Includes capital employed corresponding to joint ventures, non-current non-financial assets, operating working capital and other non-financial liability headings.

Cash flow figures

The reconciliation of the cash flow from operations to free cash flow with the EU-IFRS Statement of Cash Flows at December 31, 2020 and 2019 is as follows:

	At December 31					
	Adjusted cash flow		Reclassification of joint ventures and others		EU-IFRS statement of cash flow	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
I. Cash flows from / (used in) operating activities (cash flow from operations)	3,197	5,837	(459)	(988)	2,738	4,849
II. Cash flows from / (used in) investing activities	(1,218)	(3,777)	1,440	(630)	222	(4,407)
Free cash flow (I+II)	**1,979**	**2,060**	**981**	**(1,618)**	**2,960**	**442**

APPENDIX III: Regulatory framework

The activities of Repsol, S.A. and its subsidiaries are subject to extensive regulation, the key aspects of which are described below.

Spain

The Group's main place of business is in Spain and its registered office is located at calle Méndez Álvaro, 44, Madrid.

Basic legislation

Spain currently has legislation which implements a liberalization of the Oil Industry, an example of which is the Hydrocarbons Sector Law 34/1998 of October 7 ("LSH"), which has been amended by several legislative acts.

Law 2/2011, of March 4, on Sustainable Economy, modified the Hydrocarbons Sector Law, establishing binding guidelines for energy planning under criteria designed to contribute to create a safe, cost-effective, economically-sustainable, and environmentally-friendly energy system.

Law 3/2013 of June 4, on the creation of the Spanish National Markets and Competition Commission (CNMC - "Comisión Nacional de los Mercados y la Competencia," in Spanish), created as an overseeing body, charged with the duties and tasks relating to supervision and control of regulated markets, which were previously supervised by various National Commissions, including the Energy and Competition.

Royal Decree Law 1/2019, of January 11, proceeds with returning to the CNMC the competencies that were taken away in 2014, thus bringing the competencies of the CNMC into line with to the requirements of EU law in relation to Directives 2009/72/CE and 2009/73/CE of the European Parliament and Council, of 13 July 2009, concerning common rules for the internal market in electricity and natural gas.

Controlling concentration regime in the energy sector

The aforementioned Law 3/2013 modified the regime controlling corporate transactions in the energy sector, allocating duties to the Ministry for the Ecological Transition (MITECO). It devises a new *ex post* regime with respect to certain transactions by either requiring the buyer to notify MITECO of the execution of certain transactions or by means of the imposition of conditions on the business operations of the companies acquired, in so far as energy supply in Spain is deemed threatened.

This control, in addition to the electricity and gas sectors, now extends to the liquid hydrocarbons sector including companies that pursue refining activities, pipeline transportation, and storage of oil products, or companies that hold title to said assets, which become strategic assets.

Principal operators and dominant operators

Under Royal Decree Law 5/2005, of March 11, the Spanish National Energy Commission (currently the CNMC) is required to publish not only the list of principal operators but also the dominant operators in each energy market or sector. Dominant operators are defined as those holding a share of more than 10% of the benchmark market. On the other hand, a principal operator is considered an operator ranked among the top five players by market share. Designation as a dominant operator or principal operator implies certain regulatory restrictions.

Hydrocarbon exploration and production

Hydrocarbon fields and underground storage located in Spanish territory and in the territorial marine subsoil and ocean bottoms which are under Spanish sovereignty are considered public properties.

Exploration permits are granted by national or regional governments, depending on whether autonomous areas are affected, and exclusive investigation rights for the area in question are granted for periods lasting six years. In turn, the concession for operating hydrocarbon fields grants the owners exclusive rights to operate the field for 30 years, renewable for two successive ten-year periods, as well as the right to continue exploration activities in these areas and obtain authorization to sell the hydrocarbon products they obtain.

Law 8/2015, regulating specific tax and non-tax measures related to hydrocarbon exploration, research and operation activities, fosters non-conventional extraction, or fracking and creates an incentive regime for regional and local governments that pursue such activities, as well as a scheme for land owners to share in the profits derived from the related extraction activity.

Royal Decree Law 16/2017, establishing safety provisions for hydrocarbon research and operation in the marine environment, implemented by Royal Decree 1339/2018, of October 29, transposes Directive 2013/30/EU, of 12 June 2013 on safety of offshore oil and gas operations ("Offshore Directive") into Spanish law. The purpose of the Law is to establish minimum requirements that offshore hydrocarbon research and operations must meet to prevent major accidents, to mitigate their consequences and to define action principles to ensure that offshore operations (including operations undertaken outside the EU) are performed employing a systematic risk management approach to ensure that the residual risk of serious accidents is considered acceptable.

With regard to offshore activity, Law 41/2010, of December 29, on the protection of the marine environment, regulates marine strategies as planning instruments for the five marine districts into which the Spanish marine environment is divided. The authorization of any activity that requires carrying out works or installations in marine waters, their bed or their subsoil, or the placement or deposit of materials on the seabed, or discharges regulated in Title IV of the Law, must have a favorable report from the relevant Ministry regarding its compatibility with the marine strategy. Royal Decree 79/2019, of February 22, regulates and implements the procedure for processing this report and establishes the criteria for compatibility with the marine strategies, and is applicable in the case of the modification, renewal or extension of existing actions.

Oil products

The price of oil products is deregulated, with the exception of LPG (see specific information below).

In the retail side of the business, exclusive supply contracts for the distribution of motor fuels have a maximum term of one year, and they can be automatically rolled over for additional one-year periods at the sole discretion of the distributor, for a maximum of three years. The new legislation also bans clauses that set, recommend or influence, directly or indirectly, the price at which fuel is sold to the public.

Additionally, it establishes limits on growth in the number of fuel supply facilities of wholesalers with provincial markets shares of over 30%. Law 8/2015 stipulates that this market share shall no longer be measured in terms of points of sale but rather based on sales figures for the previous year, allowing the government to revise this percentage threshold in three years' time or even remove the restriction altogether, market trends and the sector's business structure so permitting. This period has elapsed without the government having reviewed the above measure for the time being.

Finally, Law 8/2015 allows owners of oil product retailers to supply products to other retail distributors, simply by registering in advance with the excise tax registry.

Minimum stocks

Royal Decree 1766/2007, regulates the obligation to maintain a minimum stocks in the oil and natural gas sectors, the obligation to diversify the supply of oil and natural gas, and the activities of the Corporation of Strategic Reserves of Oil Products (CORES for its acronym in Spanish).

The obligation to maintain minimum stocks of oil products in Spain for security reasons, excluding LPG, currently requires storing at all times an amount equivalent to 92 days of sales based on the sales during the previous 12 months. Repsol must maintain stocks corresponding to 50 days of sales, while the remaining stocks are held by CORES on behalf of the various operators (strategic reserves) until the obligation established has been met.

Royal Decree Law 15/2013, of December 13, introduces an amendment to the Hydrocarbon Sector Law, indicating that via regulation, administrative procedures and obligations needed to ensure, on an ongoing basis, a minimum safety buffer equivalent to at least the higher of the volume corresponding to 90 days of average net daily imports and 61 days of average internal daily consumption corresponding to the year of reference and measured in oil equivalent.

LPG

Under certain circumstances, LPG prices are subject to retail price ceilings. The prices of bulk LPG and bottled LPG in cylinders with capacity of under 8 kg or over 20 kg are deregulated. Law 18/2014, of October 15, has had the effect of also deregulating the prices of containers with capacity of more than 8 kg or less than 20 kg with a tare weight of no more than 9 kg, with the exception of LPG mixes intended for use for fuel purposes; this measure favors certain players over others as a function of the tare weight of the containers sold and, in practice, does not constitute full sector deregulation.

Ministerial Order IET/389/2015, of March 5, 2015, updates the system for automatically determining the maximum price at which bottled LPG can be retailed and for determining the price of piped LPG, adjusting the formulae used to calculate raw material costs in order to, as per the wording of the Order, adapt them "to the supply reality in the Spanish market in recent years''. Adaptation of these formulae does not apply to sales costs, thereby resulting in a reduction in maximum bottled LPG retail prices and piped LPG retail prices.

Additionally, Law 18/2014 consolidate users' right to home delivery of containers weighing between 8 kg and 20 kg by obliging the LPG wholesalers with the biggest market shares in the corresponding mainland and island territories to perform this home-delivery service. Failure to fulfill this obligation constitutes a very serious offense. The list of LPG wholesalers so obliged is determined by a resolution issued by the General Directorate of Energy Policy and Mining every 3 years. Every 5 years, the Spanish government is entitled to revise the terms of this obligation and has the power to remove it. The current list of mandatory home suppliers is as follows: Repsol Butano on the mainland and in the Balearic Islands, DISA in the Canary Islands and Atlas in Ceuta and Melilla.

On November 28, 2019, the Supreme Court handed down judgments dismissing two appeals for judicial review filed by Repsol Butano and Disa Gas against Ministerial Order IET/389/2015, of March 5, and indirectly against Articles 57 and 58 of Law 18/2014, of October 15, applied by the Order under appeal. This regulatory framework excludes LPG containers with a load equal to or greater than 8 kg and less than 20 kg, with a tare weight of more than 9 kg, from the deregulation introduced by Law 18/2014; it establishes an obligation for LPG wholesale operators with a greater market share in certain territories to supply residential homes and, lastly, it maintains the regulated price of containers with a tare weight of less than 9 kg for operators required to supply residential homes that do not have containers with a tare weight greater than that mentioned, in the corresponding territory. This framework particularly affects Repsol Butano, which is the majority operator on the mainland and the Balearic Islands, and whose fleet consists mainly of heavy containers with a tare weight of more than 9 kg.

Natural gas

Law 12/2007, of July 2, which amended the Hydrocarbon Sector Law, incorporated measures for achieving a completely liberalized market. This legislation establishes the framework for eliminating the tariff system and creates the role of the supplier of last resort with ultimate liability for supplying customers lacking sufficient bargaining power. Moreover, these suppliers are subject to a price cap (“last resort tariff”), set by MITECO. Business operations in the natural gas sector can be classified into: i) regulated activities: transport (including storage, regasification and transport per se) and distribution of natural gas; and ii) deregulated activities: production, acquisition and marketing of natural gas. The Natural Gas System Operator, Enagás S.A., is responsible for the coordinating and ensuring that the system works properly.

Law 8/2015 creates an official natural gas hub with a view to facilitating entry into the market of new suppliers and increasing competition, creating a new single hub operator, tasked with management of the gas hub, the MIBGAS (which stands for Iberian Gas Market in Spanish), which ensures that all participating entities comply with the established rules.

Under the scope of the redistribution of competences regulated by Royal Decree Law 1/2019, the CNMC approved Circular 6/2020, of July 22, establishing the methodology for calculating transmission, local network and natural gas regasification fees. In particular, the methodology for determining access fees to regasification facilities, with the exception of the fee for other regasification costs, entered into force on October 1, 2020. The methodologies for the remaining fees will take effect as of October 1, 2021, and until this date the current fee structure and billing rules will continue to apply.

However, for gas year 2020-2021, the CNMC reserved the right to update the piping terms of the current transmission and distribution fees, considering the result of applying the methodologies provided for in its Circular 6/2020 and in order to ensure sufficient income for the system. In this regard, the CNMC approved its Resolution of September 22, 2020, establishing the access fees for transmission networks, local networks and regasification from October 2020 to September 2021.

The Royal Decree establishing the methodologies for calculating gas system charges, the regulated remuneration of basic underground storage facilities and the fees applied for their use is still being processed.

Electricity sector regulation in Spain

Deregulation of the Spanish electricity sector began in 1997 with the approval of Electricity Sector Law 54/1997, of November 27, amended by Law 17/2007, of July 4, and later by Electricity Sector Law 24/2013, of December 26.

Production and sale activities continue to be deregulated, governed by competition, while transmission, distribution and the system’s technical and financial management remain as regulated activities, characterized by access that requires administrative authorization, and their remuneration is established by regulations and subject to specific obligations. Power supply, for its part, is classified as a service of general economic interest.

Royal Decree 413/2014 regulates the legal and economic regime governing the production of electricity using renewable sources, combined heat and power systems and waste, and affects the Repsol Group's facilities, formerly part of the now-defunct special regime and now assimilated into the ordinary regime. Ministerial Order IET/1045/2014, of June 16, meanwhile, enacts the standard facility remuneration parameters applicable to certain electricity-producing facilities that use renewable energy sources, CHP systems or waste. Royal Decree 900/2015, of October 9, regulating the administrative, technical and financial conditions was passed, which governs the permitted forms of electricity distribution and generation with self-consumption.

This Royal Decree 900/2015 has been substantially modified by Royal Decree Law 15/2018 and now by Royal Decree 244/2019, of April 5, regulating the administrative, technical and economic conditions for self-consumption in Spain. This regulation supplements the regulatory framework promoted by Royal Decree Law 15/2018, the main measure of which was to repeal the so-called “sun tax”, and represents a new energy panorama that is committed to a model based on distributed generation and renewable energies. Among the many new developments, the following are worth mentioning:

- Recognition of the figure of shared self-consumption, which provides the possibility that several users may benefit from the same generating facility.

- Simplification of bureaucratic procedures and deadlines for the legalization of facilities.

- Introduction of simplified compensation for generation surpluses. Self-consumed energy from renewable sources, combined heat and power systems or waste, as well as surplus energy released into the transmission and distribution network, will be exempt from all types of charges and fees.

Ministerial Order ETU/130/2017, of February 17, updated the remuneration parameters of standard facilities applicable to certain facilities producing electricity from renewable energy sources, combined heat and power systems and waste, in order to be applied to the regulatory half period commencing on January 1, 2017.

Once the first regulatory period has ended, Ministerial Order TED/171/2020, of February 24, established the remuneration parameters for the second regulatory period, from January 1, 2020 to December 31, 2025, as well as the value of the operating subsidy, for the first six months of 2020, for standard facilities whose operating costs depend essentially on the price of the fuel. The review carried out by this Order relates to all approved standard facilities, which provides an overall view of the remuneration parameters applicable thereto.

a. *Remuneration system for generation activity*

Law 24/2013, of December 26, abandons the differentiated concepts of ordinary and special regime, without prejudice to the singular considerations that need to be established. The remuneration system for renewable energies, combined heat and power systems and waste is based on the market share of these facilities, complementing market income with a specific regulated remuneration that allows these technologies to compete on an equal footing with the rest of the technologies on the market. This additional specific remuneration must be sufficient to achieve the minimum level necessary to cover costs which, unlike conventional technologies, cannot be recouped on the market and will enable them to obtain adequate profitability with reference to the standard facility in each applicable case. The rate of return for the activity of production from renewable energy sources, combined heat and power systems and waste, for the first regulatory period, is established in Royal Decree Law 9/2013, of July 12, which adopts urgent measures to ensure the financial stability of the electricity system. For the purpose of calculating the specific remuneration, the following shall be taken into account for a standard facility: the income from the sale of the generated energy valued at the production market price, the average operating costs necessary to carry out the activity and the value of the initial investment of the standard facility.

Royal Decree 359/2017, of March 31, established a call for the granting of the specific remuneration system to new facilities producing electricity from renewable energy sources in the peninsular electricity system, and Ministerial Order ETU/315/2017, of April 6, regulated the procedure for assigning the specific remuneration system. In turn, and for 2016 calls only for biomass and wind through Royal Decree 947/2015 and Ministerial Order IET/2212/2015, and the 2nd auction in 2017 through Royal Decree 650/2017 and Ministerial Order ETU/615/2017), similar to the 1st of that year and open to all technologies.

Royal Decree Law 23/2020, of June 23, entrusts the government with the regulatory development of a remuneration framework for renewable generation, based on the long-term recognition of a fixed price for energy. For such purpose, it provides for the holding of competitive tender procedures, which may be differentiated by technology, technical characteristics, size, location, manageability and other criteria, in which the product to be auctioned is energy, installed capacity or a combination of both. In this regard, Royal Decree 960/2020, of November 3, has been approved, which regulates the aforementioned remuneration framework for renewable generation, to be granted through auctions, while at the same time creating the electronic register of the economic regime for renewable energies.

The head of the Ministry for Ecological Transition and the Demographic Challenge is responsible for regulating the auction mechanism, by means of a Ministerial Order, while the head of the Secretary of State for Energy is responsible for calling the auctions by means of a Resolution. In this regard, Ministerial Order TED/1161/2020, of December 4, regulates the first auction mechanism for granting the repeated economic regime for renewable energies and establishes the indicative timetable for the 2020-2025 period.

Returning to Royal Decree Law 23/2020, it also contains provisions relating to access and connection to the networks, stipulating deadlines and administrative milestones for processing existing projects and allowing the extension of permits to seven years. It also introduces a moratorium on new access permits, with exceptions, until the regulatory framework for access and connection is approved, so that, until the government and the CNMC implement Article 33 of Law 24/2013, new applications will not be accepted for existing access capacity at the entry into force of this Royal Decree Law or that may be subsequently released as a result of expiries, waivers or other circumstances. Similarly, the regulation enables holders of access permits, or access and connection permits, obtained between December 27, 2013 and June 25, 2020, or requested prior to June 25, 2020, to forgo their permits or applications within three months of the entry into force of this Royal Decree Law, and the financial guarantees provided will be returned.

Lastly, the Royal Decree Law of June 23 streamlines the processing of modifications to existing facilities, regulates figures such as the renewable energy community or the independent aggregator and incorporates provisions relating to hybridization and high-power charging infrastructures.

b. *Remuneration system for marketing activity*

The marketing activity is based on the principles of freedom of contract and choice of supplier by the customer. Marketing, as a deregulated activity, has a freely agreed remuneration between the parties.

Of note is Law 24/2013, subsequently developed by Royal Decree 216/2014, of March 28, which establishes the methodology for calculating voluntary prices for small electricity consumers and their legal contracting regime. These prices are defined, in line with the previously denominated last resort tariffs, as the maximum prices that reference resellers may charge to consumers who use them (consumers of less than a certain contracted power, 10 kW, who wish to use this modality as opposed to a bilateral negotiation with a free reseller). These prices will be unique throughout the entire Spanish territory. The term last resort tariffs is reserved for two groups of consumers: the so-called vulnerable consumers (which also includes the new categories of severely vulnerable and at risk of social exclusion) and those consumers who, without being entitled to voluntary prices for the small consumer, temporarily do not have a supply contract with a marketer. These voluntary prices for small consumers shall include in an additive manner, by analogy with the tariff of last resort, the concepts of electricity production cost, the corresponding access tolls and charges and the corresponding marketing costs. In addition, this Royal Decree provides as an alternative that the consumer can contract a fixed price of energy for one year with the reference reseller. It also sets out the criteria for designating reference resellers and their obligations in relation to supply to certain consumer groups.

Royal Decree 469/2016, of November 18, amending Royal Decree 216/2014, establishes the methodology for calculating the marketing costs of the reference resellers to be included in the calculation of the voluntary price for small consumers. Ministerial Order ETU/1948/2016, of December 22, established the values of the marketing costs of the reference resellers to be included in the calculation of the voluntary price for small electricity consumers in the 2014-2018 period, which result from applying the new approved methodology. In turn, Royal Decree Law 7/2016 and Royal Decree 897/2017, are the current frame of reference for everything relating to the rate subsidy and the vulnerable consumer.

In particular, Royal Decree Law 30/2020, of September 29, has expanded the consideration of vulnerable consumers in their principal residence and, therefore, extended the possibility of receiving the subsidized electricity tariff (“bono social”) to consumers who are unemployed, subject to a temporary redundancy procedure, or, being entrepreneurs, have reduced their working hours as a result of having to care for others or that are enduring similar circumstances that entail a substantial loss of income.

c. *Tariff deficit*

In terms of revenue, the electricity system was not self-sufficient until 2014, generating an annual deficit, which the electricity companies have had to finance. 2014 was the first year with a surplus in the electricity system after more than a decade in which significant deficits accumulated, thanks to the comprehensive reform undertaken to put an end to the emergence of tariff deficits and allow the economic-financial balance of the system, fundamentally based on the following regulations:

- Law 15/2012, of December 27, on fiscal measures for energy sustainability introduced by the IVPEE, commonly known as the green cent, the hydroelectric royalty, etc.
- Royal Decree Law 9/2013, of July 12, establishes a number of additional remuneration principles for the transmission and distribution of electricity, and establishes the concept of reasonable return in project return, which, before taxes, will be based on the average yield in the secondary market of the ten-year government bonds applying the appropriate differential. In addition, it contemplates other measures aimed at rebalancing the balance between income and costs of the electricity system, such as imposing the financing of the rate subsidy on vertically integrated companies or the reduction of the investment incentive in exchange for doubling the time remaining to receive this incentive. Subsequently, the obligation was transferred to the marketing companies (or their corporate parent companies), an obligation that is currently in force.
- Law 24/2013, of December 26, incorporates the guiding principle of economic and financial sustainability, whereby any regulatory measure in relation to the sector that entails an increase in cost for the electricity system or a reduction in income must incorporate an equivalent reduction in other cost items or an equivalent increase in income to ensure the system's balance.
- Royal Decree 1054/2014, of December 12, regulates the procedure for assigning the rights to collect the electricity system deficit for 2013 and develops the methodology for calculating the interest rate that will accrue to the rights to collect said deficit and, where appropriate, the negative temporary misalignments in the financial years after 2013.

From 2014 onwards, any temporary mismatch between income and costs of the electricity system resulting from the closing settlements in a financial year and resulting in a deficit of income, as well as the temporary deviations between income and costs in the monthly settlements on account of the closing of each financial year that may arise, shall be financed by the subjects of the settlement system in proportion to the remuneration corresponding to them for the activity they carry out. In the event of a revenue shortfall in a financial year, the amount of the shortfall may not exceed 2% of the system's estimated revenue for that financial year. In addition, the accumulated debt due to misalignments from previous years may not exceed 5% of the system's estimated revenue for that year. Tolls, if any, or corresponding charges shall be revised by a total at least equal to the amount by which those limits are exceeded.

With regard to fees, the CNMC approved Circular 3/2020, of January 15, establishing the methodology for calculating electricity transmission and distribution fees. This Circular was later modified by CNMC Circular 7/2020, of July 22, in order to extend the transitional period until April 1, 2021. However, the Royal Decree on electricity charges is still underway.

Contributions to the national energy efficiency fund

Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency makes it binding on member states to justify a quantity of energy savings by 2020, obliging each state to establish energy efficiency obligation schemes such that energy distributors and/or retailers are obliged to achieve a cumulative quantity of energy savings by year-end 2020 means of annual savings between 2014 and 2020 equivalent to 1.5% of their annual energy sales. Royal Decree Law 8/2014 and Law 18/2014 transpose this EU Directive into Spanish law by establishing a National Energy Efficiency Fund (NEEF) by virtue of which gas and electricity distributors, oil product wholesalers and liquid petroleum gas wholesalers (although the latter are not considered bound parties under the Directive) are allocated an annual energy saving target at the national level called savings obligations, which is quantified in financial terms.

Successive IET/ETU ministerial orders stipulating mandatory contributions to the National Energy Efficiency Fund, are being appealed by the various companies encompassed by the aforementioned National Fund contribution obligation, including the Group entities subject to this obligation.

In particular, Ministerial Order TED/287/2020, of March 23, establishes the aggregate savings target, as well as the allocation of savings obligations and their economic equivalence for 2020.

Royal Decree Law 23/2020, of June 23, extended the Spanish energy efficiency obligation scheme until December 31, 2030, thus complying with Directive (EU) 2018/2002 of the European Parliament and of the Council of December 11, which requires Member States to achieve new annual savings of 0.8% of annual final energy consumption from January 1, 2021 to December 31, 2030.

Energy audits

Royal Decree 56/2016, of February 12, transposing Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, in respect of energy audits, energy service and energy audit provider accreditation and the promotion of energy efficiency, took effect in February 2016.

It has the effect of obliging all enterprises that are not SMEs ("large enterprises") within the European Union to carry out regular energy audits with a view to analyzing whether their energy management is optimal and having them establish the opportune energy savings and efficiency opportunities and proposals as warranted. The Group's energy management systems, which are based on the international ISO 50001 standard, are implemented in the Group's main industrial companies.

Climate change and alternative fuels

Following the Paris Agreement, countries' commitments under their respective National Determined Contributions (NDCs) will have a significant impact on the development of new climate policies. The European Union, also a signatory of the Paris Agreement, has made a commitment to climate neutrality by 2050. To this end, in December 2019 the European Commission presented the European Green Deal, which constitutes the new EU growth strategy, and which aims to completely transform the European economy, highlighting the following proposals for 2020: (i) European climate law, (ii) increase in the EU's objectives for reducing greenhouse gas emissions by 2030, as part of the EU Emissions Trading System, and (iii) increase in renewable energies and energy efficiency, which will be reflected in the corresponding Directives. Directive 2018/2001, on the promotion of the use of energy from renewable sources, currently sets a target of 8.5% for the sale or consumption of biofuels in transport by 2020. In addition, there is a 7% restriction on the use of biofuel from food crops, which the use of waste, such as used cooking oil (UCO) or animal fats, essential to achieve compliance.

With regard to Spain, Royal Decree 639/2016, of December 9, has already established objectives to minimize the dependence of the transport industry on oil, mitigate the environmental impact of transport, and establish threshold requirements for the creation of an infrastructure for alternative fuels, including charging points for electric vehicles and natural gas and hydrogen refueling stations.

In 2020, the Strategic Energy and Climate Framework should be highlighted, which includes the following fundamental pillars: (i) the National Integrated Energy and Climate Plan (PNIEC), (ii) the future Climate Change and Energy Transition Act, currently in parliamentary processing, and (iii) the strategy for a just transition. This Act and the PNIEC constitute a commitment by the government to comply with the objectives set out in the Paris Agreement and by the European Union, which Spain has already assumed.

In addition, the Hydrogen Roadmap was published on October 7, which focuses on the development of renewable hydrogen, with a view to positioning Spain as a technological benchmark in the production and use of hydrogen, while at the same time contributing to achieving objectives such as reducing contaminating emissions and achieving climate neutrality, the use of surplus renewable energy or the decarbonization of sectors where electrification is not viable or profitable.

Along this same line, the 2050 Long-Term Decarbonization Strategy was also published on November 3, setting out a roadmap for moving towards climate neutrality by 2050, with milestones in 2030 and 2040.

Finally, through the enactment of Ministerial Order TED/627/2020, of July 3, MITECO set energy policy guidelines for the CNMC, which the Regulator must observe in its regulatory plan for 2020 and that focus on the natural gas sector.

Bolivia

The 2009 Bolivian Constitution establishes that state-owned company Yacimientos Petrolíferos Fiscales Bolivianos (YPFB) is authorized to enter into service agreements with public or private companies to undertake activities for and on its behalf in exchange for remuneration or payment for their services.

The Bolivian oil and gas industry is regulated by Law 3,058 of May 19, 2005 (the "Hydrocarbons Law") and technical and economic regulations.

On May 1, 2006, Supreme Decree no. 28,701 was enacted, which nationalized the country's hydrocarbons. Furthermore, the shares required to enable YPFB to control at least 50% plus one vote in various companies, including Empresa Petrolera Andina, S.A., (currently known as YPFB Andina), were nationalized.

On December 11, 2015, Law No. 767 was passed to promote investment in hydrocarbon exploration and production in Bolivia. Furthermore, Law No. 817 of July 19, 2016 was enacted, supplementing Article 42 of Law No. 3,058, previously amended by Law No. 767, allowing YPFB to extend the term of the Operating Contracts.

Operating Contracts and Oil Service Contracts

According to the Hydrocarbons Law and Article 362 of the Bolivian Constitution (CPE), any individual or group, national or foreign, public or private person may enter into one or more production sharing, operating or association contracts with YPFB to carry out exploration and operation activities, for a period not to exceed forty (40) years. The CPE of 2009 and Law 767 limit the type of contract to oil service contracts, which have similar characteristics as the operating contracts of Law 3058.

An operating contract and an oil service contract are those contracts by which the titleholder will execute, by its own means and at its own risk, for and on behalf of YPFB, the operations corresponding to the exploration and operation activities within the area covered by the contract, under the remuneration system, in the case of entering into operation activities. YPFB will not make any investment and will not assume any risk or liability for the investments or results obtained in relation to the contract, and it is the exclusive responsibility of the titleholder to provide all capital, installations, equipment, materials, personnel, technology and other necessary items.

YPFB remunerates the holder for the operating services in cash through the titleholder's remuneration. This payment will cover all operating and utility costs. YPFB must pay the royalties. Once production has started in an oil service contract, the titleholder is required to deliver all oil and gas produced to YPFB. The titleholder will be entitled to remuneration under the operating contract and/or the oil service contract, for the total amount produced and delivered to YPFB.

Oil contracts and amendments thereto require authorization and approval by the Plurinational Legislative Assembly, in accordance with the CPE (Legislative Power).

As a result of the Hydrocarbons Law and the Nationalization Decree, Repsol E&P Bolivia, S.A. and its subsidiary YPFB Andina, S.A. signed the operating contracts, effective as of May 2, 2007. On June 13, 2018, Repsol E&P Bolivia, S.A. entered into an oil service contract with YPFB for the exploration and operation of the Iñiguazu Area, effective as of August 26, 2019.

In addition, the natural gas and liquid hydrocarbon delivery agreements establishing the terms and conditions governing the delivery of hydrocarbons by the titleholder were entered into on May 8, 2009.

Canada

Regulation of exploration and production activities

In the Canadian provinces of British Columbia, Alberta and Saskatchewan where the majority of the Company's exploration and production interests in Canada lie, the provincial governments own the majority of the subsurface mineral rights to crude oil and natural gas. These governments grant rights to explore for and produce oil and natural gas from Crown lands under the conditions set forth in provincial legislation and regulations. In addition to Crown lands, the Company participates in leases entered into with freehold mineral owners through direct negotiation. The royalties applicable to production from Crown lands are established by government regulation and, in general, calculated as a percentage of gross production based on the productivity of the wells, geographical location, date on which the oil fields were discovered, recovery method and type and quality of substance produced. Occasionally, the provincial governments may offer incentive programs for exploration and development. Such programs seek to reduce the royalty rate or other fees or offer certain tax credits. Fees and royalties payable for production on privately owned land are established by means of negotiation between the owner and the Company.

Companies operating in the Canadian oil and natural gas industry are subject to extensive regulation and control of operations (including land ownership, water usage, exploration, development, production, refining, transport and marketing, in addition to environmental matters) as a result of legislation and policy enacted at both the federal level (by the government of Canada) and by the various provincial governments. Generally speaking, oversight of such operations is undertaken by regulatory bodies that include the British Columbia Oil and Gas Commission, the Alberta Energy Regulator, the Saskatchewan Ministry of Economy and the Saskatchewan Ministry of the Environment, as well as federal regulatory bodies such as the Impact Assessment Agency of Canada and the Canada Energy Regulator.

Environmental and emissions regulations

Environment regulations from provincial and Canadian federal governments restrict and prohibit the release or emission of various substances that are considered harmful, such as sulfur dioxide, carbon dioxide and nitrous oxide.

Regulations also impose conditions or prohibitions on operating in certain environmentally sensitive areas and establish requirements that regulate the satisfactory abandonment and reclamation of well and facility sites. Noncompliance with the legislation, regulations, orders, directives or other applicable guidelines can result in fines or other sanctions.

In addition to the regulation and control of exploration and production activities, the provincial and Canadian federal governments have also enacted various forms of emissions regulations. In October 2019, the newly elected Alberta government introduced the Technology Innovation and Emissions Reduction Implementation Act (TIER) to replace the Carbon Competitiveness Incentive Regulation (CCIR). The CCIR and TIER are similar in their approach, however the TIER moves from the CCIR's industry-based benchmarks to benchmarks based on the average past performance of the facilities. The TIER currently mandates a CAD $30 per ton price on carbon emissions.

The TIER regulations are intended to meet federally mandated carbon standards. In December 2019 TIER was accepted under the federal Greenhouse Gas Pollution Pricing Act.

The provincial government of Alberta has also committed to reducing methane emissions from oil and gas operations by 45% by 2025 through new emissions design standards for facilities, improved measurement and reporting and new regulated standards starting in 2020.

In addition to the provincial regulations, the Canadian federal government has announced an increase in the government's carbon price to CAD $170 per ton by 2030.

Ecuador

In accordance with the Constitution of 2008 and the Hydrocarbons Law of Ecuador, the nation's hydrocarbon fields and the associated substances are the inalienable, imprescriptible and unattachable property of the State. The amended legislation of the Hydrocarbons Law and the Internal Tax Regime Law, of July 27, 2010, established that all agreements for the exploration and operation of hydrocarbons must be modified to reflect the amended reformed services agreement model.

This model involves the contractor being obliged to provide services using its own economic resources and at its own risk. In exchange, the contractor will receive a set price per net barrel of oil produced and delivered to the State. This price, which constitutes the contractor's gross revenue, is contractually stipulated based on estimated depreciation schedules, cost/expense schedules and a reasonable profit in light of the risk incurred.

Repsol Ecuador, S.A. (Ecuador Branch) entered into the services agreement for Block 16, which came into force on January 1, 2011.

In addition, on January 22, 2011, a services agreement was signed covering the Block 67.

United States of America

Offshore exploration and production

The two government agencies responsible for offshore exploration and production on the Outer Continental Shelf are the Bureau of Ocean Energy Management (BOEM) and the Bureau of Safety and Environmental Enforcement (BSEE) under the U.S. Department of the Interior. The BOEM is in charge of responsibly ensuring the economic and environmental development of US offshore resources. Its functions include the leasing (agreements that grant oil and gas mining rights), the review and management of oil and gas exploration, the approval of development plans and carrying out analyses pursuant to the National Environmental Policy Act and other environmental studies. The BSEE is responsible for safety and environmental supervision of offshore oil and gas operations. Its functions include the development and application of safety and environmental regulations, the authorization of offshore exploration, development and production, the performance of inspections and the response to oil spills.

Onshore exploration and production

With regard to US onshore exploration and production activities, the oil and gas industry is primarily regulated by the laws of the individual states, with the exception of certain environmental matters and operations on federal land. At present, the Company has operations in Alaska, Pennsylvania and Texas. In Alaska and Texas, exploration and production activities are regulated by the Alaska Department of Natural Resources and the Railroad Commission of Texas, respectively. Each of these states has its own environmental protection agency. In Pennsylvania, the local Department of Environmental Protection is responsible for both environmental protection activities and the regulation of exploration and production activities.

Federal authorities do have jurisdiction over certain environmental aspects that affect the gas and oil sector. The United States Environmental Protection Agency (EPA) applies laws and regulations such as the Clean Air Act, the Clean Water Act and the Resource Conservation and Recovery Act. The environmental impact of the projects is regulated by the National Environmental Policy Act (NEPA), which is managed by different Federal agencies depending on the type of project.

Transport

The Federal Energy Regulatory Commission (FERC) governs the transport of natural gas as part of interstate commerce and the transport of oil via oil pipelines within the same field. The states regulate other types of transport.

Liquefied natural gas

The Natural Gas Act grants the Federal Energy Regulatory Commission (FERC) the exclusive power to regulate plants that import and export liquefied natural gas arriving in the United States and leaving the country with the authorization of the Office of Fossil Energy at the US Department of Energy (DOE).

Trading of gas, crude oil and refined products

The FERC regulates the sale of natural gas as part of interstate commerce. A number of US regulatory bodies are empowered to regulate the oil and refined products trading market. The Federal Trade Commission (FTC) has the power to regulate crude oil trading activities. The Environmental Protection Agency (EPA) regulates refined products marketed to private consumers such as gasoline and diesel. Trading of financial derivatives is regulated by the Commodities Futures Trading Commission (CFTC).

On December 18, 2015, the 2016 Consolidated Appropriation Act was passed (Public law no. 114-113). This piece of legislation repeals Article 103 of the Energy Policy and Conservation Act (EPCA), thereby eliminating the ban on exporting crude oil produced in the US. The legislation preserves the President's power to restrict oil exports in response to a national emergency, enforce trade sanctions and remedy oil supply scarcity or the sustained distortion of oil prices significantly above world market levels.

Biden Administration Orders

On January 20, 2021, Acting Secretary of the Interior, Scott de la Vega, issued Secretarial Order 3395 titled, "Temporary Suspension of Delegated Authority," effective for 60 days from the date of issuance or until amended, suspended, or revoked. Secretarial Order 3395 temporarily suspends the delegations of authority to Department Bureaus and Offices to take various actions, including but not limited to the authority to "issue any onshore or offshore fossil fuel authorization, including but not limited to a lease, amendment to a lease, affirmative extension of a lease, contract, or other agreement, or permit to drill." This limitation of delegated authority "does not limit existing operations under valid leases" and "also does not apply to authorizations necessary to: (1) avoid conditions that might pose a threat to human health, welfare, or safety; or (2) to avoid adverse impacts to public land or mineral resources." The authority for which delegation has been suspended is reserved to certain confirmed, Acting, and non-career officials.

On January 27, 2021, President Biden issued an Executive Order titled, "Tackling the Climate Crisis at Home and Abroad." This Executive Order provides, among other things, "To the extent consistent with applicable law, the Secretary of the Interior shall pause new oil and natural gas leases on public lands or in offshore waters pending completion of a comprehensive review and reconsideration of Federal oil and gas permitting and leasing practices in light of the Secretary of the Interior's broad stewardship responsibilities over the public lands and in offshore waters, including potential climate and other impacts associated with oil and gas activities on public lands or in offshore waters. The Secretary of the Interior shall complete that review in consultation with the Secretary of Agriculture, the Secretary of Commerce, through the National Oceanic and Atmospheric Administration, and the Secretary of Energy. In conducting this analysis, and to the extent consistent with applicable law, the Secretary of the Interior shall consider whether to adjust royalties associated with coal, oil, and gas resources extracted from public lands and offshore waters, or take other appropriate action, to account for corresponding climate costs." The Executive Order does not specify a duration for the directed pause in new oil and gas leasing.

Peru

The Constitution includes the main bases of its legal framework governing the hydrocarbons market in Peru. The Constitution states that the government promotes private initiatives, recognizing the economic pluralism, and the state having a subsidiary role in terms of business concerns. The Constitution also establishes that private and public business activity must be treated equally under the law, and that national and foreign investments are subject to the same conditions. In addition, the Constitution stipulates that the country's natural resources are the property of the State and that the terms and conditions of access to and use of these resources by private parties must be regulated by means of organic laws.

Natural and legal persons, whether Peruvian or foreign, that pursue hydrocarbon activities are expressly subject to the laws of the Republic of Peru, renouncing the right to any diplomatic recourse.

The most important authorities with competence over Peruvian hydrocarbon matters are: the Ministry of Energy and Mining (MINEM for its acronym in Spanish), which is tasked with drafting, passing, proposing and applying sector policy; and the Energy and Mining Investment Oversight Body (OSINERGMIN), tasked with oversight of the natural and legal persons carrying out activities related to the electricity and hydrocarbon sub-sectors and the imposition of penalties for any breaches of the legal and technical obligations issued by the MINEM and PERUPETRO, S.A. The Environmental Assessment and Taxation Body (OEFA) is the technical institution specialized in ensuring compliance with the standards, obligations and incentives laid down in prevailing environmental regulations.

Exploration and production

The Organic Hydrocarbons Law (OHL), regulates this natural resource. To provide legal assurance to investors, it states that contracts under its framework shall be considered Contract-Law, and therefore can only be modified by written agreement between the two parties. To achieve these objectives, the OLH created PERUPETRO, a state-owned limited company organized as a public corporation, to which the state, as owner of the hydrocarbons located in its territory, grants the right of ownership over the hydrocarbons, so that PERUPETRO can negotiate, execute and monitor exploration and/or operation contracts, with a licensee (contractor) by means of license agreements, service agreements and other forms of contracts authorized by MINEM.

Hydrocarbon refining and marketing

The OHL stipulates that any natural or legal persons, whether national or foreign, may install, operate, and maintain oil refineries, plants for processing natural gas and condensates, natural asphalt, greases, lubricants, and petrochemicals, subject to the norms specifically established by MINEM.

In Peru, the marketing of hydrocarbon derivatives is regulated by supply and demand.

Portugal

In Portugal, Decree Law No. 31/2006, of February 15, sets out the framework for the National Oil System (SPN) and has been implemented and regulated through extensive administrative regulations.

Sale prices are freely set on the market, without prejudice to the rules on competition and public service obligations, however, prices in the autonomous regions of the Azores and Madeira are administratively set by the regional governments.

Sales include wholesale and retail trade activity, which is freely carried out, but depends on obtaining a certificate, in addition to compliance with other obligations, especially with regard to tax and customs matters, regularity of supply, publication of prices and the provision of information to various competent administrative bodies, as well as verification of the suitability of the seller.

Minimum stocks

Portugal is required to maintain minimum stocks in the crude oil and/or oil products sectors, in accordance with Decree Law No. 165/2013, of December 16, which transposed EU legislation, corresponding to 90 days of average daily net imports of crude oil and oil products into the country over the last year, it being legally possible to hold stocks in another EU Member State, provided that all requirements have been verified and the necessary formalities have been completed.

LPG

LPG - piped, bottled and bulk - is regulated by that established in Decree Law No. 57-A/2018, of July 13, and is subject to control by the Portuguese energy sector regulator (*Entidade Reguladora do Sector Energético* - (ERSE)), which assumed the functions of the Portuguese competition authority (*Autoridade da Concorrência* - (AdC)) in terms of supervision, without prejudice to the powers of the AdC to issue recommendations and codes of conduct, carry out studies and inspections, decide on concentrations, initiate administrative proceedings for infringements of competition law and impose fines, for which it is granted extensive powers of investigation, including the power to carry out domiciliary searches.

Decree Law No. 5/2018, of February 2, establishes the obligation to sell bottled LPG in all of the country's service stations, unless they receive a prior exemption upon a reasoned request of the interested party.

With regard to the sale of LPG, Decree Law No. 31/2006 provides for the sale of bottled, piped and bulk LPG. The supplier of bulk LPG is required to give the customer, or the supplier chosen by the customer, the option of transferring ownership of the facility (storage and piping) upon expiry of the contract. With regard to bottled LPG, a legal obligation has been established to accept containers from other companies, at no cost to the customer, as detailed in Decree Law No. 5/2018, of February 2, which also makes it mandatory to sell LPG containers at all service stations in Portugal and indicates that the regulations on essential public services must be applied to the LPG container and that the "leftover product" in the container delivered by the customer must be deducted from the sale price of the container, under the terms to be defined in regulatory legislation not yet published.

Storage

Storage activities include the operation of (i) storage facilities for direct supply to end customers, (ii) storage facilities for oil products in tare, and (iii) wholesale facilities, and will be licensed by the Minister of Custody, while the licensing of other storage facilities is the responsibility of the competent licensing authorities. The procedure for obtaining licenses to operate oil product storage facilities and the conditions for tax audits are defined in Decree Law No. 267/2002.

The storage of liquid fuels, LPG and other gases derived from oil, solid fuels and other oil products is regulated by Decree Law No. 267/2002, of November 26, and Portaria (Ministerial Order) No. 1188/2003, of October 10.

The regulations establish the right of access for third parties to large storage facilities declared to be of public interest, the operators of which will be required to grant access to third parties, under non-discriminatory, transparent and objective technical and economic conditions, as well as the right of access to large storage and distribution facilities of piped LPG for sale to end customers.

Service stations

Service stations are subject to licensing, in accordance with Decree Law No. 267/2002, of November 26. Law No. 6/2015, of January 16, requires all service station operators to sell fuels without additives, known as simple fuels.

Decree Law No. 170/2005, of October 10, as amended by Decree Law No. 120/2008, of July 10, makes it mandatory to publish fuel sale prices on the monoliths of service stations and, in the case of service areas located on highways, comparative panels (the prices of the next two service areas are compared) on the highway itself.

Environmental regulation

With regard to environmental prevention, Decree Law No. 151-B/2013, of October 31, indicates that certain facilities (in particular refineries and petrochemical plants, pipelines for the transportation of oil, storage facilities for oil, petrochemical products or chemical products, and surface industrial facilities for oil extraction, among others) are subject to an inspection procedure to assess the significant impacts on the environment and to the imposition of conditioning and/or compensatory measures, while Decree Law No. 152-B/2017 stipulates that climate changes, and changes in population, human health and soil should be assessed in future procedures.

Decree Law No. 127/2013, of August 30, establishes the industrial emissions regime, with the aim of preventing and reducing emissions, and is applicable to industrial facilities in this sector, in particular refineries and petrochemical plants, establishing the obligation to obtain an environmental license that sets out a broad set of requirements and conditions that must be met by the beneficiary, in particular emission limits for pollutants and measures for waste management, among others, prior to carrying out the activity.

Decree Law No. 12/2020, of April 6, imposes the obligation on operators producing greenhouse gases to obtain a Greenhouse Gas Emissions Certificate (*Título de Emissão de Gases com Efeito de Estufa* (TEGEE)) in accordance with EU Directives and the Kyoto Protocol, while Portaria (Ministerial Order) No. 420-B/2015, of December 31, imposes additional taxes on CO_2 emissions on some oil products, based on the prices of the emission license auctions at the CELE.

The legal regime for environmental liability was approved by Decree Law No. 147/2008, of July 29, and defines the objective and subjective scope of the environmental liability of economic operators, imposing the obligation to provide one or more financial guarantees (their own and autonomous, alternative or complementary to each other) to enable operators to assume the environmental liability inherent in their activity, which may be provided through various instruments. This regime is supplemented by the Environmental Administrative Offenses Act (*Ley Quadro das Contra-Ordenações Ambientais*), published by Law No. 50/2006, of August 29, which sets fines that can reach up to €5 million.

Decree Law No. 75/2015, of May 11, established the Single Environmental Certificate, which contains all the terms and conditions for the construction, exploration and monitoring of an environmental project and all administrative certificates and permits necessary to carry out the activity, the model for which was approved by Portaria (Ministerial Order) No. 137/2017, of April 2.

Decree Law No. 68-A/2015, of April 30, establishes regulations on energy efficiency and cogeneration production, transposing Directive 2012/27/EU of the European Parliament and of the Council of October 25, 2012, applicable to companies other than SMEs (small and medium-sized enterprises), which are required to register with the Directorate General for Energy and Geology (DGEG) and record all information on their energy consumption, in order to monitor the evolution of this consumption, and they must also carry out an independent energy audit every four years.

Climate change and alternative fuels

Council of Ministers Resolution No. 53/2020, of July 10, approved the 2030 PNEC (2030 National Energy and Climate Plan), establishing objectives, among others, to decarbonize the national economy, strengthen the commitment to renewable energies and reduce the country's energy dependence, and Council of Ministers Resolution No. 63/2020, of August 14, approved the National Hydrogen Plan - EN-H2, of exclusively green origin.

The quality levels and characteristics of oil products are provided for in (i) Decree Law No. 89/2008, of May 30 (quality rules for gasoline and diesel fuels), and (ii) Decree Law No. 281/2000, of November 10, which establishes the limits on the sulfur level of certain types of petroleum-derived liquid fuels.

Decree Law No. 117/2010, of October 25, establishes (i) the sustainability criteria for the production and use of biofuels and bioliquids, regardless of their origin, (ii) the mechanisms for promoting biofuels in land transport, and (iii) the limits for the compulsory incorporation of biofuels for the 2011-2020 period, whereby the targets for the 2020-2030 period were updated by Decree Law No. 60/2020, of August 17.

Decree Law No. 60/2017, of June 9, establishes the legal framework for the creation of infrastructure for alternative fuels, defined as: electricity, hydrogen, biofuels, synthetic and paraffinic fuels, natural gas –compressed or liquefied–, and LPG. Council of Ministers Resolution No. 88/2017, of June 26, approved the National Action Framework for the development of the market for alternative fuels in the transportation sector.

Electricity sector regulation

The regime for selling electricity for electric mobility is regulated by Decree Law No. 39/2010, of April 26, amended by Law No. 82-D/2014, of December 31.

Venezuela

The Constitution of the Bolivarian Republic of Venezuela stipulates that the mines and hydrocarbon fields, irrespective of their nature, located on national territory, offshore under the sea bed, in the exclusive economic zone or on the continental platform, belong to the Republic, are public-domain goods and are, therefore, inalienable and imprescriptible.

By virtue of organic law and to protect national interests, the Venezuelan State has reserved the Venezuelan oil activities for itself. For reasons of economic and political sovereignty and for national strategic purposes, the State holds all of the shares of Petróleos de Venezuela, S.A. (PDVSA), or the entity that may be created for the management of the oil industry.

The Hydrocarbons Organic Law (HOL) regulates all matters regarding the exploration, operation, refining, industrialization, transport, storage, sale and conservation of hydrocarbons, including related refined products and the works required to perform these activities. Pursuant to the HOL, the performance of activities involving the exploration, extraction, collection, transport and storage of hydrocarbons is reserved to the State, which may undertake them directly or through wholly-owned State companies. The State may also conduct these activities through mixed-owned companies whose equity interest is over 50%.

The mixed companies agreements referred to in the HOL do not impose restrictions on this legal form of company in terms of transferring funds in the form of cash dividends, loan repayments or the redemption of shareholder advances in foreign currency (USD).

Activities relating to the exploration, operation, collection, storage, use, industrialization, sale and transport of non-associated natural gas and associated gas are subject to the provisions set out in the Organic Gaseous Hydrocarbons Law and its regulations. On January 14, 2016, Decree No. 2184 was published in the Extraordinary Official Journal of the Bolivarian Republic of Venezuela No. 6,214, declaring a State of Exception and Economic Emergency throughout the entire territory of the Republic for a period of 60 days, providing the State with the power to enact exceptional and extraordinary economic, social, environmental, political and legal measures, in addition to others. This State of Exception and Emergency was successively extended on several occasions, with the most recent, Presidential Decree No. 4,396 published on December 26, 2020 in Official (Extraordinary) Gazette No. 6,606, for sixty (60) days from its publication, which may be extended for an additional sixty (60) days. The National Constituent Assembly was called by the President of the Bolivarian Republic, Nicolás Maduro, via Presidential Decree No. 2,830, published on May 1, 2017; all public authorities are subordinated under the Constituent Assembly and are obliged to comply and ensure compliance with the legal documents issued by said Assembly. The maximum term of this Assembly has been set at two years. On May 20, 2019, the National Constituent Assembly published a Constituent Decree in Official Gazette No. 41,636 by which it extended the operation of the National Constituent Assembly at least until December 31, 2020.

Official Gazette No. 41,310, of December 29, 2017, contained the publication of the Constitutional Foreign Production Investment Law, establishing the principles, policies and procedures that regulate foreign production investments in goods and services. The special legislation regulating foreign investments in specific sectors of the economy shall prevail over said law, including those addressing hydrocarbon, mining and telecommunications matters. To date, the relevant sectoral regulation has not been published.

On January 5, 2018, the term ended, established in Resolution No. 164 of the Ministry of the People's Power of Petroleum, published in the Official

Gazette of December 6, 2017, for the review and validation of all national and international contracts signed and those that are about to be signed, by PDVSA, its subsidiaries and the mixed companies where PDVSA owns shares. To date, the review process is still ongoing in the mixed companies, and the results of this process have yet to be disclosed.

In Official Gazette No. 41,825, dated February 19, 2020, Presidential Decree No. 4,131 was published, declaring an energy emergency in the hydrocarbon industry, in order to adopt the necessary measures to guarantee national energy security and protect the industry against the multi-faceted aggression, both external and internal, that is being executed to affect the country's oil production and sale. This Decree ordered the creation of the Alí Rodríguez Araque Presidential Commission for the Defense, Restructuring and Reorganization of the National Oil Industry, the purpose of which is the design, supervision, coordination and promotion of all the productive, legal, administrative, labor and marketing processes of the national public oil industry and its related activities, including PDVSA and CVP; this Commission may design and apply a set of special temporary measures aimed at increasing, improving and boosting the productive, administrative, financial and commercial management capacities of the national public oil industry and its related activities.

Subsequently, in Official Gazette No. 41,946, dated August 19, 2020, the President of the Republic, through Decree No. 4,268, extended by six (6) months the term established in Decree No. 4,131, dated February 19, 2020, which had declared the energy emergency of the hydrocarbon industry.

In the Official Gazette (Ext.) No. 6,583, dated October 12, 2020, the National Constituent Assembly published the so-called Anti-Blockade Constitutional Law for National Development and the Guarantee of Human Rights ("Anti-Blockade Law"), effective as of the date of its publication. The law aims to establish a regulatory framework that provides public authorities with legal tools to counteract, mitigate and reduce the harmful effects caused by the unilateral coercive measures and other restrictive or punitive measures imposed against Venezuela that were issued or handed down by other States or group of States, by international organizations or other foreign public or private entities, which affect human rights, infringe international law and affect the right to free and sovereign development of the Venezuelan people as enshrined in the Constitution.

The new legislation is public policy and of public interest, so its provisions will be applicable to all branches of government, and to natural and legal persons, public and private, throughout Venezuela.

Monetary regime

On February 20, 2018, the launch of the "Petro" cryptocurrency was announced, backed by reserves from field 1 of the Ayacucho Block in the Hugo Chávez Frías Orinoco Oil Belt, in order to create an alternative currency to the dollar and a digital and transparent economy for the benefit of emerging countries. Such purchase may be made in convertible currencies: yuan, Turkish lira, euro and rouble. On March 19, the President of the United States of America signed an executive order prohibiting US persons and US residents from performing transactions with any digital currency issued by the Venezuelan government as of January 9, 2018, which increases that country's sanctions regime on Venezuelan natural and legal persons. On July 25, 2018, Presidential Decree No. 3,548 was published in Official Gazette No. 41,446, establishing that from August 20, 2018 onwards, all monetary amounts expressed in national currency prior to that date, must be converted to the new monetary unit, dividing the current units by one hundred thousand (100,000).

On August 2, 2018, the National Constituent Assembly published a Decree revoking the Exchange Rate System Law in Official Gazette No. 41,452, with a view to granting both natural and legal persons, whether Venezuelan or foreign nationals, full guarantees in terms of their involvement in the country's socioeconomic development model. On September 7, 2018, the Central Bank of Venezuela ("BCV") published in Extraordinary Official Journal No. 6,405 the so-called Exchange Agreement No. 1 ("the Exchange Agreement", pending regulation by BCV), the purpose of which is to establish the free convertibility of the currency nationwide.

On May 2, 2019, the Central Bank of Venezuela published Resolution No. 19-05-01 in Official Gazette No. 41,624, which authorized the so-called foreign exchange tables.

On November 19, 2019, the Presidency of the Republic published a decree instructing natural and legal persons, public and private, to register information and economic events expressed in accounting terms in sovereign cryptoassets, without prejudice to their registration in Bolivars.

The Central Bank of Venezuela issued a circular on March 13, 2020, allowing authorized banks to sell foreign currency in cash, in accordance with Exchange Agreement No. 1. The circular entered into force on March 13, 2020 and established that universal banks and exchange offices regulated by the Law on Banking Sector Institutions (*Ley de Instituciones del Sector Bancario*) and authorized as specialized intermediaries to carry out retail exchange operations are subject to its application.

The same circular establishes that the above-mentioned subjects must request authorization from the BCV's Foreign Exchange Operations Management to sell foreign currency in cash derived from retail exchange operations. These are operations to sell foreign currency for amounts equal to or less than €8,500, or its equivalent in another currency.

REPSOL Group

2020

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], as a further show of its commitment to transparency, has drawn up a Management Report that integrates both financial and non-financial information, specifically information on sustainability. This report is intended as the cornerstone of the Group's annual public reporting.

This **Management Report** faithfully presents the Repsol Group's business, results and financial position, together with a description of the main risks and uncertainties it faces, and the approach set out in the Strategic Plan. It also provides information on Sustainability, including the Environmental, Social and Governance (ESG) areas.

The report not only complies with applicable legal requirements2 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), the "Guía para la Elaboración del Informe de Gestión de las Entidades Cotizadas" of the CNMV, Spain's securities market regulator, and the European Commission Guidelines on non-financial reporting (methodology for reporting non-financial information) (2017/C 215/01).

Preparation of information

The **financial information** included in this document, unless expressly indicated otherwise, has been prepared in accordance with the Group's reporting model described in Note 4 "Business information"3 of the 2020 consolidated financial statements. Some of the financial indicators and ratios are considered Alternative Performance Measures (APMs) in accordance with the European Securities Markets Authority (ESMA) Guidelines4.

The report must be read together with the 2020 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 the **Sustainability indicators** is presented in accordance with the Global Reporting Initiative (GRI)[5] using the "comprehensive" option. Appendix IV "GRI Index" contains a list of the Sustainability indicators included throughout the report, in other public reports released by the Company, or reported in Appendix III "Additional Sustainability Information." These indicators, together with the additional information required by Law 11/2018, comprise the Statement of Non-Financial Information, the content of which is set out 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 is verified by an external auditor (PwC), according to ISAE 3000 (Verification report available at **www.repsol.com**). Additionally, in 2020 the Report voluntarily includes indicators according to the SASB "Sustainability Accounting Standards Board" (Appendix VI). Lastly, the 10 Principles of the United Nations Global Compact have been taken into account in drawing up this information.

The **forward-looking information** contained in this document reflects the plans, forecasts or estimates of the Group's management at the date of their authorization for issue. 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 provide energy to society efficiently and sustainably.

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

Repsol has laid down **principles of action** –"*Efficiency, Respect, Foresight and Value Creation*"– and a set of **Company behaviors** –"*Results-Oriented, Accountability, Cooperation, Entrepreneurial Attitude 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 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. In 2020, Repsol redrew the scope of its business segments, which are now three: *Exploration and Production* (Upstream), *Industrial* and *Commercial and Renewables*. For more information, *see section 4.1*.
4. Appendix I, "*Alternative Performance Measures*", includes the reconciliation between the adjusted figures and those corresponding to IFRS-EU financial information.
5. All GRI standards are followed in their 2016 version, with the exception of the Water (2018), Occupational Health and Safety (2018) and Tax (2019) standards.

Message from the Chairman

Dear shareholders,

In a matter of months, the COVID-19 virus has triggered a global health and economic crisis which in Spain has caused an 11% dip in GDP, according to initial estimates released by the National Statistics Institute, well above the EU average. It has also given rise to a significant increase in unemployment. Given the sense of despondency that seems to have taken hold in society, I would like to convey a message of cautious optimism and assure you that our country has the resources and assets needed to embark on the recovery and build a more resilient economy.

Spain must base its recovery on the main strengths of its economy, which include industry. This is one of the country's most valuable strategic assets, as shown during the lockdown, when companies such as Repsol guaranteed the supply of basic energy products and services for mobility and households. I would like to thank all the employees at our industrial complexes, LPG plants, and service stations, who, like so many others, continued to work on-site during these testing months and helped the company fulfil an essential public service.

The hard work carried out during this period has shown once again that industry is part of the backbone of the Spanish economy and is one of its main driving forces. In our country, 80% of private research and innovation is related to industry, which dedicates 2.1% of its Gross Value

> Spain needs a broad national pact to promote its industry, which will allow us to strengthen the sector and make it compete at the cutting edge of technology

Added to R&D+I, four times more than the services sector. Industry also generates quality employment, with 95% of contracts being full-time, 81% permanent and salaries between 20% and 25% higher than in the services sector. The refining business alone generates 40 billion euros a year in turnover, while generating 200,000 direct and indirect jobs in Spain.

Yet despite these figures, the reality is that both Europe and Spain have been losing industrial capacity for some time. Spanish industrial GDP is 16% and the European average is 19%, compared to 20% and 21% respectively in 1996. As a society, the decline of industry has undoubtedly made us more vulnerable, as seen at the beginning of the pandemic when European countries encountered serious difficulties in supplying health equipment.

Therefore, one of the conclusions we can draw from what has happened so far during this pandemic is that we need to increase the weight of the industrial sector within the wider economy by promoting sectors with more technology and higher added value, as indeed the European Union has been urging its Member States to do for years. This will allow us to create a more resilient economy, as we follow the likes of Germany, Finland, or Norway, where industry accounts for over 20% of GDP and where citizens enjoy high levels of welfare and have coped better with recent crises.

To move closer to these countries, Spain needs a broad national pact to promote its industry, involving public administrations, companies, and social agents alike. This will ultimately allow us to strengthen the sector and allow it to compete with the most advanced economies when it comes to state-of-the-art technology and innovation. We need to provide the country with a long-term strategy, one that lays the foundations for a more industrialized economy, with concrete measures to boost investment in R&D from the current level of 1.25% to over 2% of GDP–the EU average–and to strengthen vocational training by focusing on the skills most needed in this new era.

I am convinced that the Next Generation program of the European Union will be a unique opportunity to champion the reindustrialization of our country. The 72 billion euros that Spain will receive over the coming three years must be used to strengthen the productive fabric and modernize the economy by investing in those sectors that can contribute the most to improving our competitiveness, such as the ecological transition, digitalization and, evidently, industry. It is also essential that these investments are undertaken through close cooperation between public administrations and private companies, to ensure that the resources are used efficiently and that the country gets the most out of them.

Public-private partnerships will not only be needed to manage these funds. Spanish industry needs the government's support to continue generating wealth, with fiscal policies that recognize and reward the efforts of companies that invest in creating jobs and innovation; environmental policies that do not undermine our industrial competitiveness vis-à-vis industries in countries that are less demanding in this area; and suitable regulatory frameworks to eliminate the uncertainty that serves only to hinder investment decisions by companies.

We must therefore get on the same page and work together to strengthen our industry. If we succeed, this sector will become one of the main drivers of the economic recovery and job creation, while continuing to play a prominent role in the energy transition, another of the great challenges we face as a society.

Industry, a key element in the energy transition

The industrial sector, to which Repsol belongs, has much to say in the energy transition, which is a global challenge involving all governments, companies, and citizens. Thanks to its ability to promote research and innovation, industry will be key to developing the technologies needed to meet the European Union's emissions reduction target, which a few months ago was raised from 40% to 55% by 2030.

For years, the refining sector has been leading European industry's efforts to make its activities more sustainable by plotting out various technological routes to reduce its CO_2 emissions across processes and products. I would like to emphasize the contribution made by Repsol here. Through efficiency measures, it has reduced the energy consumption of its refineries by 20% in 10 years and, as a company, it has succeeded in reducing its CO_2 emissions by 5.5 million metric tons per year between 2006 and 2020.

Right now, the refining sector is undergoing a technological revolution in the truest sense. We have embarked upon a transformation process that will allow us to turn our refineries into multi-energy hubs that in the short run will be able to process alternative raw materials to generate fuels and materials with a low carbon footprints. To give an example, technology will allow us to produce advanced biofuels from urban, agricultural, forestry, or agri-food industry waste. Moreover, the renewable hydrogen and CO_2 captured at the refineries themselves can be used to make synthetic biofuels. Both these low-carbon products will play a key role in our mobility in the future.

> We need an adequate regulatory framework, one that contemplates and champions the development of all existing decarbonization technologies and energies

This industrial transformation is one of the pillars of our 2021-2025 Strategic Plan, with which we will make progress towards achieving net-zero emissions by 2050. Our most outstanding projects in this area include the construction in Cartagena of Spain's first advanced biofuels plant and the construction of both a synthetic fuels plant and a biogas plant in Bilbao. Also in Bilbao, we plan to build Europe's first 100 megawatt (MW) alkaline electrolysis plant, signaling a big technological leap forward when it comes to the production of renewable hydrogen. The company will rely on these cutting-edge industrial initiatives to help develop a strong and sustainable industry that will boost the reactivation of the economy and create job opportunities in key sectors for the future, such as digitalization and technology.

All these projects are further proof of Repsol's commitment to leading the decarbonization of the economy, even amid the current crisis. Apart from the industrial transformation, another of the main levers of our strategy is to improve the energy efficiency of our traditional businesses, notably refining. I would also like to highlight the progress made in this direction by our hydrocarbon exploration and production (Upstream) business. In recent decades it has been fundamental in making Repsol a truly global operator and a benchmark within the sector, thanks to our technological capacities.

This activity will remain a strategic concern for Repsol over the coming years. Despite the foreseeable changes in the energy model, oil will remain a useful and necessary energy source in a decarbonized world where it will be put to uses that do not emit CO_2, such as the production of fiber, insulating materials, fertilizer, rubber, and even tires and plastics for car interiors. The same holds true for natural gas which is needed to replace coal in power generation and is key to boosting the development of renewable energy, as it can take over when their production dips.

The challenge will be to continue producing the oil and gas that society needs in an increasingly sustainable way. At Repsol we are prepared to face this challenge thanks to our sound portfolio management, efficiency, and technological prowess. All this will allow us to cut the CO_2 emissions of this business by 75% during the period 2021-2025, while also ensuring its profitability which will help us to continue advancing along the path to decarbonization.

Aside from improving the efficiency of these traditional businesses, we have added a number of low-carbon businesses to our portfolio, with six renewable projects now under development in Spain (three wind and three photovoltaic) and a joint venture in Chile. We have also built a new customer-centric business from which we will prioritize the supply of low-emission energy to consumers in the Iberian Peninsula and the development of products and digital tools to facilitate energy management and make homes more energy efficient.

Committed to a hybrid energy model

At Repsol we are committed to using all available technological options to achieve our decarbonization objectives. We advocate a hybrid energy model that combines electrification with the use of low-carbon fuels, such as advanced biofuels, synthetic fuels, and renewable hydrogen. All of them will be crucial over the coming years in decarbonizing sectors that are difficult to electrify in the mid-term with today's technology, such as long-distance road transport and the maritime and aviation industries.

Looking at the situation in these sectors, it is plain to see that electricity cannot be the solution for everything. Therefore, mature technologies that are already managing to reduce their carbon footprint, such as increasingly efficient internal combustion engines, can and indeed should coexist with new electric and renewable technologies. I am convinced that the combination of different technologies and forms of energy is the best formula for accomplishing our objective of decarbonizing society in the shortest possible time and, above all, at the lowest cost to citizens.

There is, therefore, no single solution to reduce CO_2 emissions. It is essential that our authorities always apply the principle of technology neutrality when legislating and making decisions, as envisioned in the European Green Deal and the future European Climate Law. I firmly believe that it is essential to allow the different technologies and types of energy available to us to compete freely as we go about decarbonizing the economy, with no bans or exclusions, since right now we are unable to predict which of them will be the most efficient in the mid to long term.

Repsol has concrete plans in place to accelerate the decarbonization of its processes, produce fuels and materials with a low carbon footprint, and incorporate new low-emissions businesses, all with the support of technology and innovation. To succeed, we need an adequate regulatory framework – one that contemplates and champions the development of all existing decarbonization technologies and types of energy. This is the only way to make effective progress toward the energy transition and successfully complete the transformation of our sector which has several industrial projects in progress that can drive the economic recovery and, let us not forget, supply society with energy products that are essential for its well-being.

I am convinced that our sector will emerge stronger from this crisis and will be able to continue supporting the growth of the Spanish economy.

Thank you all for your trust.

ANTONIO BRUFAU NIUBÓ
CHAIRMAN

Message from the Chief Executive Officer

Dear shareholders,

I would like to begin this letter with a message of support for those who have felt the consequences of the global pandemic in one way or another, especially those who have lost a loved one. It has been a tremendously difficult year for everyone. COVID-19 has taken the lives of thousands of people and brought economic activity to a screeching halt, with negative growth figures not seen since last century.

In our sector, the pandemic triggered a dramatic decline in oil and gas prices and a collapse of demand. In 2020, the average Brent crude oil price fell by around 34% to average 41.8 $/bbl. Meanwhile, Henry Hub gas saw its average price fall by some 19%, averaging 2.1 $/MBtu over the period. To compound matters further, we witnessed an inevitable decline in fuel sales due to the mobility restrictions put in place to combat the virus. At our service stations in Spain, we experienced an average decline of 23% for the full year, though peaking at an 85% reduction during the strictest lockdown periods.

In this extremely difficult environment, at Repsol we have once again demonstrated the strength of our business. Firstly, we have continued to fulfill an essential public service, proving once again that we are a company with immense social value and worth. Our priority at all times was to keep our facilities operational. Repsol employees continued to work even at the height of the pandemic, with appropriate safety

> Amid this hostile environment, we have continued to fulfill an essential public service, proving once again that we are a company with immense social value and worth

measures in place, whether to extract oil and gas at our fields, to produce fuels or raw materials for the manufacture of medical equipment at our industrial complexes, to meet the needs of all the transporters, health workers, and security forces who frequent our service stations, or to deliver butane cylinders to thousands of homes.

All this with the invaluable aid of the employees who work at our corporate center and who for months have been supporting their friends and co-workers by working from home. To achieve this feat, we have relied on digitalization and the new ways of working that we have been promoting for years. They have proven their worth during this crisis and kept the company operating daily. I would like to thank every one of you once again for your efforts.

In a year when the pandemic has accentuated inequalities around the world, I am proud that our company has been able to ensure the supply of energy products and services to society as a whole, while protecting jobs and continuing to look after the communities in which we operate. I think this is the finest example of our unwavering commitment to ensuring respect for human rights and of how we are integrating into our business the Principles of the United Nations Global Compact that we adhered to in 2002 in a bid to promote sustainable development.

A Resilience Plan to strengthen our balance sheet

The hostile global landscape arisen from the pandemic prompted us to take steps to ensure the company's sustainability. We reviewed our assumptions of future oil and gas prices as a show of financial prudence, thus lowering the value of our Upstream assets. Meanwhile, in March we launched a Resilience Plan across all of our businesses, with specific measures to improve cash generation and strengthen our balance sheet.

By December 31, we had accomplished greater savings than expected in operating expenses and cuts in investment. This has allowed us to reduce our net debt by 1.178 billion euros compared with the previous year, bringing it to 3.042 billion euros, even though the scenario has been worse than considered in March 2020 when we launched the Resilience Plan.

The effectiveness of the measures rolled out under this plan can also be seen in our accounts. In 2020, we were able to deliver positive operating cash flow of 3.197 billion euros, and an adjusted net income –which measures the performance of our businesses – of 600 million euros. This, once again, shows our strength even in this complex scenario of depressed commodity prices and unusually low demand.

At Repsol we are not only showing resilience in coping with this unprecedented scenario. We are also laying the foundations for the company's future. In this decade, we want to consolidate our position as a sustainable multi-energy company with a global presence; a company that will ultimately help achieve a more decarbonized world by relying on all available technologies, as all forms of energy will be necessary for a just and efficient energy transition, at the lowest possible cost for citizens.

The backbone of this transformation process is our 2021-2025 Strategic Plan which we approved in November last year. It aims to accelerate the company's energy transition and signals a clear commitment to the decarbonization of our asset portfolio. This plan plots out a realistic and profitable roadmap for the coming years that will allow us to continue to grow, ensure profitability, and generate maximum value for our shareholders.

One of the objectives of this Strategic Plan is to maintain one of the most attractive remuneration policies in the industry and among all Ibex 35 companies, combining cash payments with share buybacks. Thus, our dividend will be €0.60/share (scrip dividend plus cash dividend) in 2021. This will be steadily increased over the course of duration of the plan to reach €0.75/share. By 2025, the shareholder remuneration will exceed €1/share, including cash payment and share buybacks to be carried out from 2022 onwards.

Ambitious emissions reduction targets

The main purpose of the new Strategic Plan is to help us become a net-zero emissions company by 2050, in line with the targets envisioned in the Paris Agreement on climate change. The recent decision of the United States to rejoin the agreement is a major boost that will hopefully make international relations and the global economic situation more stable, as both these factors heavily impact the activities of a global company like Repsol.

To achieve zero net emissions by 2050, our company has outlined a demanding roadmap, including new and more ambitious emissions reduction targets, with a reduction in carbon intensity of 12% by 2025, 25% by 2030 and 50% by 2040. In energy efficiency alone, for instance, we will invest 400 million euros over the next five years to reduce 800,000 metric tons of CO_2 per year. These figures confirm Repsol's status as an energy company committed to a more sustainable world. Not only does it seek to reduce its carbon footprint, it also applies mechanisms to protect the environment when planning and undertaking all of its projects and operations.

To achieve our emissions reduction targets we will champion an energy model that integrates various technological options, combining electrification with the use of products that have a low, neutral, or even negative carbon footprint. We will also continue to focus on reducing energy consumption, as well as digitalizing our operations through artificial intelligence, automation, and cloud-based solutions.

One of the core features of the Strategic Plan is the implementation of a new operating model which will enhance the strengths of our

> To cope with the current environment, we rely not only on the strength of our industrial assets and our financial health, but above all on the immense talent of our human team

Exploration and Production as well as Industrial assets to continue generating cash flow. It will also promote the development and growth of new zero-emission businesses centered on the customer and renewable power generation, two of the main pillars of the company's growth in the coming years.

In our new Low-Emissions Generation business, the aim is to continue growing our portfolio of projects in operation in Spain –currently standing at 3.3 gigawatts (GW)– and to develop new assets in international markets on the path to becoming a global operator, with a generation capacity of 7.5 GW by 2025 and 15 GW by 2030.

At the same time, our new Customer Unit will be tasked with meeting the energy and mobility needs of our 24 million customers. We want to harness our competitive advantages to lead the multi-energy supply to consumers in the Iberian Peninsula, by offering them a differential global service that features a steadily growing weight of low-emissions energy and digital products and tools.

The circular economy is another pillar of our new strategy and a key lever for the delivery on our commitment to achieve zero net emissions by 2050. It will enable us to transform our industrial complexes into multi-energy hubs, capable of using all types of waste as raw materials to generate products with a low, zero, or even negative carbon footprint. Thanks to this transformation, Repsol will become a benchmark in sustainable biofuels, with a production capacity of 1.3 million metric tons by 2025, as well as in the production of renewable hydrogen, with a capacity equivalent to 400 MW by 2025.

Last year, we already took the first steps in this direction, with the launch of several state-of-the-art industrial projects. These include Spain's first advanced biofuels plant, which we will build in Cartagena, and two major decarbonization initiatives we plan to carry out in Bilbao: one of the world's largest net-zero emission synthetic fuel production plants and a facility capable of generating gas from municipal waste.

Last but not least, our upstream business will focus on the development of short-cycle projects that can be managed flexibly and with limited capex intensity, thus increasing their contribution to the company's results and generating positive cash flow. The aim is to bring average production to 650,000 barrels of oil equivalent per day and to reduce our global presence to 14 countries, with a more efficient and focused exploration activity.

We will invest a total of 18.3 billion euros over the whole period of the plan. We intend to invest 42% –some 7.7 billion euros– in Spain as a clear illustration of our commitment to making Spanish industry more competitive, helping its decarbonization and promoting industrial employment.

A strong project for the future

Repsol is a strong and resilient company. In previous downcycles, it has amply demonstrated its ability to emerge stronger from adverse circumstances, such as the one we have unfortunately all been witnessing in recent months. To cope with the current situation, we rely not only on the strength of our industrial assets and our financial health, but, above all, on the immense talent of our diverse human team, made up of people of 79 nationalities and with extensive experience in the efficient management of energy resources and technological innovation. I am convinced that we have the best possible team to step up the essential decarbonization process at our company and to undertake the progressive incorporation of new low-emission businesses.

And, of course, to help us get through the economic slowdown, we have our 2021-2025 Strategic Plan, a solid foundation on which to build a company of the future and to continue advancing toward our goal of achieving zero net emissions by 2050. At Repsol we view decarbonization as an opportunity to develop more profitable businesses and to continue growing and to become, in this decade, the multi-energy company that society is calling for to cover all of its needs in a sustainable way.

I thank you all for the trust you have placed in our project, particularly in these very difficult times. Let us now continue our journey together.

Thank you.

Josu Jon Imaz San Miguel
Chief Executive Officer

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- Significant impact of the crisis on business profitability
- Plan to protect cash generation and strengthen the balance sheet
- Targets achieved ahead of schedule

New Strategic Plan

- Growth and value in the energy transition
- New operating model acting as a catalyst of value and decarbonization
- Shareholder remuneration higher than our peers

In this extremely challenging environment, Repsol has focused on its role as a supplier of essential products and services to society.

The COVID-19 crisis and the 2020 Resilience Plan

The world was hit by an unprecedented global economic crisis in 2020 as a result of the COVID-19 pandemic. This severe crisis shaped an extraordinarily complex and demanding **landscape** for Repsol's businesses, affected by the drop in general economic activity and, especially, by lockdown restrictions introduced to fight the pandemic.

Against this difficult backdrop, and even at the most critical junctures, Repsol was able to keep it businesses running, most of which are considered essential or strategic activities, thus guaranteeing the supply of energy products and services that are essential for society and safeguarding the health and safety of its employees, customers and suppliers.

The crisis significantly reduced the demand for oil, gas and derivative products and sparked a dramatic fall in their prices, with a heavy impact on the profitability of our businesses. However, the 2020 Resilience Plan draw up by the Company to protect cash flow generation and ensure a strong balance sheet amid the crisis –through ambitious targets in terms of cost efficiencies and investment– enabled the generation of positive free cash flow, cut net debt and maintained our investment grade credit rating throughout 2020.

In any case, it should be noted that in the latter part of the year, given fresh optimism of an exit from the crisis, we saw a recovery in demand and prices for our products, which has certainly pushed up the profitability of our businesses, especially at E&P, Chemicals and Commercial.

For more information, see Sections 2. COVID-19: Impacts and Resilience Plan and 5. Environment.

Flexibility of the businesses in generating cash during the crisis.

2021-2025 Strategic Plan

In November, Repsol unveiled its Strategic Plan for the period 2021-2025 (the Plan), which will shape the company's transformation in the coming years and speed up the energy transition. Repsol shall prioritize profitable growth and maximize shareholder value with a strong increase in cash flow generation and financial discipline.

The Plan sets a roadmap for reducing emissions that is more ambitious than the December 2019 commitment, so as to continue successfully advancing towards the goal of zero net emissions by 2050 through decarbonization of the asset portfolio and a new operating model.

Repsol will evolve its organization by deploying four business areas (Upstream, Industrial, Customer-Centric and Low Carbon Generation), with planned investments in low carbon initiatives totaling 5.5 billion euros (30% of the total) over the period.

Shareholder remuneration will combine cash payments with share buybacks. The dividend will rise from 0.60 euros per share to 0.75 euros per share over the period of the Plan (including share buybacks, it may exceed 1 euro per share by 2025). Even in tough price scenarios, cash will be generated to cover investments, shareholder remunerations and finish the Plan with a debt level similar to that of 2020.

For further information, see Section 3. New Strategic Plan.

Flexibility of businesses to adapt to the environment

- Successful exploration campaign with lower investment
- Adaptation of production and logistics schemes without losing focus on innovation and digitalization
- Optimization of costs and investments

Decarbonization and energy transition

- Innovative industrial, circular economy and decarbonization projects.
- Increase in renewable generation capacity
- International expansion of renewable generation in Chile

Business activities and sustainability

At ***Upstream***, against a backdrop of low crude oil and gas prices, Repsol has prioritized value generation over production volume, in the form of cost reduction plans and by redefining asset operation plans in a bid to improve the cash break-even. Temporary production halts took place at certain assets in Canada, the United States and Colombia. Profitable growth was pursued, one highlight being the successful exploration campaign, with discoveries in Alaska, the Gulf of Mexico and Colombia, as well as the start of production of new development wells at Marcellus, Norway, Eagle Ford and Trinidad and Tobago. *For more information, see Section 7.1. Upstream.*

In the ***Industrial*** segment, against the background of a deep and sharp reduction in demand, production, logistics and commercial patterns adjusted to keep utilization levels above international averages. Repsol continued to focus on innovation and digitalization. New projects have been launched in line with the Group's strategy of decarbonization and the circular economy, to minimize energy efficiency, operational reliability and to minimize environmental impact.

For more information, see Section 7.2. Industrial.

At ***Commercial and Renewables***, the mobility restrictions had a negative impact on demand for oil products and, in particular, fuels, despite which Repsol kept its service stations up and running even at the most critical junctures. In 2020, our customer-centric multienergy offering model continued through development of the Electricity and Gas businesses (1.13 million customers), the launch of a new 100% renewable self-consumption service ("Solmatch") and forward steps in renewable projects (Delta and WindFloat came online, start of construction of Kappa in Ciudad Real and Valdesolar in Badajoz, Delta 2 acquisition in Aragon, and international expansion in Chile).

For more information, see Section 7.3. Commercial and Renewables.

Repsol is committed to the United Nations Sustainable Development Goals (SDGs) and has continued to make progress with its own **Sustainability Plans** both globally and locally in more than 20 countries and industrial complexes. In the context of an energy transition to a low-emission future that mitigates the effects of **climate change**, commitments were fulfilled to reduce the Carbon Intensity Index by 3% by 2020 compared to 2016 and to implement improvements at facilities, preventing CO2 emissions of 444 thousand metric tons.

For Repsol, **employee safety and job security** have always been a key priority during the COVID-19 crisis. In this context, a set of measures have been put in place to protect their **health and safety**, though without this affecting operations or the level of service offered, and the Total Recordable Injury Rate (TRIR) for **accidents** has fallen.

Repsol has not been immune to the impact that the health and social crisis caused by COVID-19 has had on the communities in which it operates. To help mitigate its effects, various actions and initiatives have been carried out, such as selfless collaboration with public services, donations of sanitary materials, support for contractors, or the deliberate cutting off of vulnerable indigenous communities.

For further information, see Section 8. Sustainability.

Commitment to industrial employment and safety.

Performance and financial position

The financial performance of our businesses has been impacted by the current **global economic recession**, the decline in oil and gas prices, the dramatic slump in demand for products and the cost overruns associated with operating safely amid the pandemic, albeit mitigated in part by the initiatives rolled out under the Resilience Plan.

Driving forward a multi-energy offering.

Sustainability

- More ambitious decarbonization commitments in 21-25 SP.
- Reduction of emissions: 444 kt CO2e
- Improved occupational safety
- Leader in ESG rankings in the Oil & Gas sector

Financial strength

- Strong operating cash flow generation
- Reduction in debt
- High levels of liquidity

Negative net income due to the COVID-19 crisis.

Results for the period

(Million euros)	2020	2019	Δ
Upstream	195	1,050	(81%)
Industrial	297	913	(67%)
Commercial and Renewables	485	541	(10%)
Corporate and others	(377)	(462)	18%
Adjusted net income	**600**	**2,042**	**(71%)**
Inventory effect	(978)	(35)	-
Special items	(2,911)	(5,823)	50%
Net income	**(3,289)**	**(3,816)**	**14%**

Upstream results (195 million euros) were affected by the dramatic decline in hydrocarbon prices, which has led to decreased production from some assets, and by the interruption of operations in Lybia due to security concerns through to the last quarter of the year. Results at the ***Industrial*** segment (297 million euros) were impacted by quieter levels of activity and by the decline in Refining margins due to falling levels of demand. Results at the ***Commercial and Renewables*** businesses (485 million euros) remained relatively stable thanks to cost and margin management, despite the reduction in sales -especially at Service Stations and in Aviation- due to the mobility restrictions put in place to combat COVID-19. At ***Corporate and others***, finance expenses and corporate overheads were down, in line with the objectives set out in the Resilience Plan.

As a result, **adjusted net income**, which shows ordinary results obtained from managing the businesses, amounted to 600 million euros, 71% down on the same period in the previous year. The Company's integrated business model, together with its flexibility and the resilience of its assets, was vital in enabling its businesses to achieve this positive result in such an adverse environment.

Meanwhile, the volatility and sharp decline in international prices for crude oil and other products had an extraordinary adverse impact on the value of inventories, generating an **inventory effect** of -978 million euros.

Meanwhile, **special items** (-2,911 million euros) reflect the write-downs made to certain assets at the Upstream segment as a result of the updated assumptions regarding future oil and gas prices amid the COVID-19 crisis and expectations of an accelerated energy transition.

On balance, the Group's **net income** in the period came to -3,289 million euros (-3,816 million euros in 2019). *For more information, see Section 6.1 Results.*

Although the ongoing crisis has led to a significant reduction in EBITDA, **cash flows from operations** were positive across all businesses, amounting to 3,197 million euros, with **free cash flow** of 1,979 million euros. *For more information, see Section 6.2 Cash flows.*

The measures rolled out under the Resilience Plan to protect the balance sheet have enabled the Company to reduce **net debt** to 3,042 million euros, with a leverage ratio of 12.8%. The group has strengthened its **financial position** by issuing senior Eurobonds in the period (2,350 million euros) and perpetual subordinated bonds (1.5 billion euros), while also arranging a total of 1,605 million euros in committed and undrawn credit facilities. **Liquidity** at the end of the period totalled 9,195 million euros (including committed and undrawn credit facilities), enough to cover short-term maturities by a factor of 3.2.

In 2020, rating agencies Standard & Poor's, Moody's and Fitch all confirmed Repsol's **investment grade**. *For further information, see Section 6.3 Financial position.*

Shareholder remuneration in 2020 was equivalent to 0.916 euros per share[1] under the "Repsol Flexible Dividend" program. With the aim of improving the shareholder remuneration, Repsol reduced capital in 2020 in order to offset the dilutive effect of the scrip dividends carried out in 2019 under the "Repsol Flexible Dividend" program. *For further information, see Section 6.4 Shareholder remuneration.*

Net Debt reduction.

1. As per Repsol's commitment to purchase from shareholders their right to receive free shares under the scrip issue (*see Section 6.4*).

Key figures and indicators

Financial indicators[1][2]	2020	2019
Results		
EBITDA	2,730	7,161
Operating income	1,135	3,661
Adjusted net income	600	2,042
Net income	(3,289)	(3,816)
Earnings per share (€/share)	(2.13)	(2.33)
ROACE (%)	(11.9)	(11.0)
ROACE with leases (%)	(10.3)	(9.7)
Investments	2,308	3,861
Cash and liquidity		
Cash flows from operations	3,197	5,837
Free cash flow	1,979	2,060
Cash generated	811	(687)
Liquidity	9,195	7,667
Debt and available capital		
Net debt (ND)	3,042	4,220
Net debt (ND) (with leases)	6,778	8,083
Capital employed (CE)	23,765	29,556
Capital employed (CE) (with leases)	27,317	33,292
ND / CE (%)	12.8	14.3
ND / CE (with leases) (%)	24.8	24.3
Shareholder remuneration		
Shareholder remuneration (€/share)	0.916	0.916

Sustainability indicators[3]	2020	2019
People		
No. of employees	24,125	25,228
New employees	1,733	3,800
Total turnover rate (%)	18	21
Investment in training (€ million)	7.5	14.3
Safety		
Process Safety Indicator (PSIR)	0.62	0.55
Total Recordable Injury Rate (TRIR)	1.11	1.24
Environment		
Direct CO_2e emissions (Mt)	22.0	24.7
Annual CO_2e emissions reduction (Mt)	0.444	0.171
No. of hydrocarbons spills > 1 bbl to have reached the environment	23	25
Taxes paid (€ million)	9,180	13,052

Our business performance[1]	2020	2019
Upstream		
Proven reserves[4] (Mboe)	1,852	2,139
Proven reserves replacement ratio (%)	(21)	23
Liquids production (kbbl/d)	217	254
Gas production (kboe/d)	432	455
Hydrocarbon production (kboe/d)	648	709
Crude oil realization price ($/bbl)	37.7	57.3
Gas realization price ($/kscf)	2.3	2.9
EBITDA	2,090	4,255
Adjusted net income	195	1,050
Cash flows from operations	1,736	3,140
Investments	948	2,429
Industrial		
Refining capacity (kbbl/d)	1,013	1,013
Crude oil processed (Mt)	35,9	44,0
Conversion utilization Spanish refinery (%)	86	103
Distillation utilization Spanish refinery (%)	74	88
Refining margin indicator in Spain ($/Bbl)	2.2	5.0
EBITDA	(161)	1,997
Adjusted net income	297	913
Cash flows from operations	783	1,776
Investments	565	885
Commercial and Renewables		
Service stations (No.)[5]	4,966	4,944
Marketing own network sales (kt)	19,039	24,544
LPG sales (kt)	1,162	1,253
Electricity generation (GWh)	5,940	6,308
Electricity generation capacity (MW)	3,295	2,952
EBITDA	970	1,059
Adjusted net income	485	541
Cash flows from operations	703	1,001
Investments	739	491

Macroeconomic environment	2020	2019
Brent ($/bbl) average	41.8	64.2
WTI ($/bbl) average	39.3	57.0
Henry Hub ($/MBtu) average	2.1	2.6
Electricity Pool - OMIE[6] (€/MWh)	34.0	47.7
Exchange rate ($/€) average	1.14	1.12
CO_2 (€/Tn)	24.8	24.9

Stock market indicators	2020	2019
Share price at year-end (€/share)	8.25	13.93
Average share price (€/share)	8.44	14.43
Market capitalization at year-end (million €)	12,601	21,277

(1) In millions of euros, where applicable.
(2) More information in *Section 6 and in Appendix I – Alternative Performance Measures*.
(3) Figures and indicators calculated in accordance with the Group's management policies and guidelines. For more information, see *Section 8 of the 2020 Integrated Management Report*.
(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. COVID-19: impacts and Resilience Plan

COVID-19: main impacts

On March 11, 2020, the World Health Organization upgraded the public health crisis posed by the SARS-CoV-2 virus (widely known as coronavirus or COVID-19) to international pandemic status. COVID-19 spread swiftly to many countries and is currently active. An unprecedented health, social and economic crisis arose on a truly global scale.

COVID-19 impacted the prices of hydrocarbons and by-products (*see section 5.2 Energy environment* and *9.1 Outlook for the energy sector*) and demand for our products decreased amid the slump in economic activity, especially the lockdown measures to fight the spread of the pandemic.

Even in these tough circumstances, Repsol managed to maintain the safe operation of its businesses, most of which are classified as "essential" or "strategic" activities in the countries where it is present. However, the overall decline in business volume and the deterioration of economic conditions amid the pandemic have affected the activities and performance of the Company's businesses:

Upstream

As a result of the weak demand and price environment for oil and gas, Upstream performance and activities were significantly affected (*see section 7.1. Upstream*). To mitigate adverse impacts, activity was reduced by limiting investment and adjusting activity according to criteria of profitability and asset value preservation:

- Investment adjustment in the period resulted in (i) a slowdown in development work at *Akacías* in Colombia, (ii) a delay in the start-up of YME in Norway until 2021 and (iii) minimization of drilling at unconventional assets in North America.
- Production was cut by slightly more than 15 kboe/d as a result of: (i) a decline in gas demand (Algeria, Venezuela, Bolivia, Peru and Indonesia), (ii) temporary cease of production due to low prices, to preserve the value of certain assets (Colombia, Canada and the US Gulf of Mexico) and (iii) production cuts in some countries (Algeria and Norway).

Industrial businesses

At **Refining**, the drop in global demand prompted a temporary shutdown of refineries across the world, including Europe. Repsol's refining system had to reduce utilization but nonetheless managed to maintain reasonable levels of activity by balancing production, sales and storage capacity.

This price environment has also had a negative impact on inventory valuation, manifested in the form of the *"inventory effect"*.

In **Chemicals**, the impact of the pandemic has been uneven across the different sectors in which products are sold. In global terms, demand has remained at reasonable levels, which has allowed to maintain plant occupancy rates.

Commercial businesses

Decrease in demand for fuels as a result of lockdown measures and the overall decline in economic activity was severe, especially with regard to the network of service stations and aviation supplies.

In Spain, when the lockdown was at its strictest, the decline in fuel demand at service stations reached 85%. It later recovered to end the year 23% below the 2019 level. The demand for aviation kerosene collapsed due to lower domestic consumption and the lack of an international market for this product. Elsewhere, at the LPG business, the mobility restrictions have led to a decline in demand in the catering, hospitality, services and automotive segments, partially offset by increased demand for LPG for domestic use.

It is hard to predict to what extent and for how long the pandemic will affect Repsol's businesses in future. The reduced global demand for crude oil, gas and oil products in response to the slump in economic activity, especially the mobility restrictions in place, may adversely affect prices and the level of production and sales of our businesses. Meanwhile, the deterioration in global financial conditions may also affect the cost of financing, available liquidity or the solvency of our clients and partners under joint ventures, among other possible impacts. The course of the pandemic, vaccine development and administration plans, the containment measures

Drop in prices and falling demand

Lower operating expenses and investment

used by the health authorities and the policies put in place to mitigate the social and economic impact of the crisis will all shape the scope and duration of both the crisis and the subsequent recovery.

2020 Resilience Plan

On March 25, Repsol's Board of Directors appraised the state of the economy and likely future developments, focusing particularly on the global impact of COVID-19 and the price slump in the world oil and natural gas market, including its impact on the Company's activities and businesses. This prompted the Company to make the following decisions:

- Guaranteeing the health and safety of employees, customers and suppliers alike in their relations with the Company, while continuing with its operations in order to supply energy products and services that are crutial for society and to maintain essential services at the present time.
- Maintain our shareholder remuneration commitment in 2020 (paid out of 2019 results).
- Reaffirm our pledge to lead the energy transition, in line with the objectives of the Paris Summit and the UN Sustainable Development Goals, maintaining its objective of reducing the Carbon Intensity Score by 3% in 2020 compared to 2016, while significantly increasing renewable generation capacity and reducing CO_2 emissions across all businesses.
- Adopt a 2020 Resilience Plan, where the financial objective has been to preserve the strength of our balance sheet and maintain an investment grade credit rating. Even in this scenario, therefore, there will be no increase in net debt in 2020 when compared to year-end 2019.
- The Resilience Plan envisaged a number of initiatives to further cut operating expenses by over 350 million euros and investment by over 1 billion euros, while also improving working capital approximately 800 million euros with respect to the metrics initially budgeted.

The objectives of the Resilience Plan were achieved and even surpassed in some cases:

- Repsol assured the supply of our products and services and kept our operations safe and secure. For instance, in Spain, even at the time of the strictest lockdown, the networks of service stations, direct fuel sales and LPG distribution remained operational. Production continued in our refining and chemical industrial complexes.
- Our commitment to remunerate stockholders in 2020 was delivered through the payment in January and July of EUR 0.424 and EUR 0.492 per share under the scrip dividend scheme to replace the dividend paid out of 2019 results. A capital reduction was excuted through redemption of the Company's treasury shares to offset the dilutive effect of the scrip dividend formula.
- The Carbon Intensity Index was cut by 5% compared to 2016, while progress was achieved in increasing renewable generation capacity and reducing CO_2 emissions across all businesses.
- The main rating agencies confirmed Repsol's investment grade, which bolstered its balance sheet by strengthening equity (issue of 1.5 billion euros of perpetual subordinated bonds), reducing net debt and increasing liquidity.
- Higher than expected operating cost savings and investment reductions were achieved, enabling us to reduce net debt compared to 2019 despite the worse scenario than the one considered in March 2020, when the Resilience Plan was launched.

3. New Strategic Plan

2021-2025 Strategic Plan

In December 2019, Repsol was the first energy firm to announce its commitment to become a net zero emissions company by 2050, thus starting a strategic change of course.

A new strategic plan was scheduled to be published in May. However, given the exceptional volatility and uncertainty of the economic landscape (which involved approving a Resilience Plan for this year), the 2021-2025 Strategic Plan (21-25 SP or the Plan) was finally unveiled on November 26, 2020.

21-25 PS will shape the transformation of the Company in coming years, involving an **accelerated energy transition** by a profitable and realistic pathway that ensures profitability, secures the future and creates maximum value for stockholders.

The Plan is a demanding roadmap with ambitious intermediate emission reduction targets to continue successfully moving forward to the goal of zero net emissions by 2050. Repsol will decarbonize its asset portfolio and develop a new operating model.

Hence, by 2030 Repsol will be a multi-energy company that is more sustainable and focused on creating value.

The Plan comprises two periods: the first (2021-2022) will focus on ensuring financial robustness and will thus prioritize efficiency, investment reduction and capital optimization, while developing projects to lead the energy transition; the second (2023-2025), once the impact of the COVID-19 crisis is behind us, will focus on accelerating transformation and growth.

The Plan envisages investments totaling 18.3 billion euros. Investments in low-carbon initiatives will come to 5.5 billion euros from 2021 and 2025, or 30% of the total.

The Plan will be self-financing in a scenario of $50/bbl Brent crude and $2.5/Mbtu Henry Hub prices, where the Company also maintains wide financial flexibility and a level of debt by 2025 similar to that of 2020.

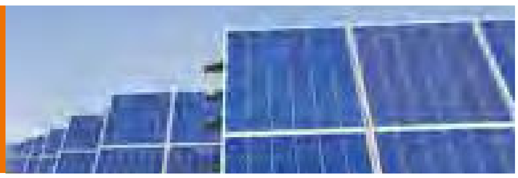
To implement the Plan, the organization will evolve by deploying four business areas (*Upstream*, *Industrial*, *Customer* and *Low Emission Generation Businesses*), supported by a more flexible and efficient Corporate division, thus enhancing performance and value creation.

Transformation to accelerate the energy transition

2021-2022 Ensuring excellent performance and financial strength
In an uncertain economic and commodities environment

Capital efficiency and discipline.
CAPEX reduction.
Prudent financial policy and commitment to the current credit rating.

2023-2025 Accelerating the transformation and generating growth



Portfolio transformation and new business platforms.
Growth of metrics and high CAPEX intensity.
ROACE and debt level.

50 $/barrel
2.5 $/MBtu HH

Self-financing plan

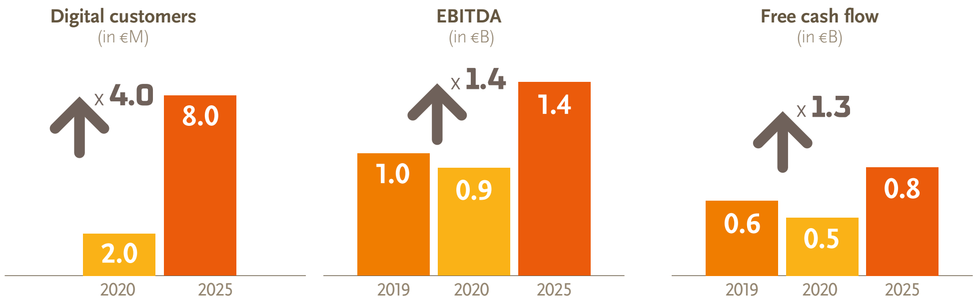
Ensuring maximum shareholder value

Organizational evolution toward four growth vectors

Customer

The division will bring together the current Mobility, LPG, Lubricants, and Electricity and gas marketing areas and other energy solutions, and will meet any energy and mobility needs of its customers (more than 24 million). The Plan sets the goal of raising EBITDA at this division by 1.4 times to 1.4 billion euros by 2025. It also envisages an increase in the number of Electricity and Gas consumers (focusing on the Iberian Peninsula) to two million. The new horizontal loyalty program will grow from 2 million digital customers today to eight million by 2025.

Customer business



1.1M → 2M

Objective: two million customers of Electricty and Gas, and Electric Mobility

X 1.15 Mobility contribution margin (€M)

X 1.25 Non-oil contribution margin (€M)

Low-emissions electricity production

It will enlarge its asset portfolio continue its international expansion with the goal of being a global operator, with a generation capacity that will reach 7.5 gigawatts (GW) by 2025 (through development of a portfolio of projects in operation at a rate of approximately 500 MW per year, and acquisition of international projects) and 15 GW by 2030.

The Plan envisions the entry of owners or investors in the low emissions generation business, or even a stock market launch. This will give a major boost to our ability to meet targets and ensure a higher return on our operations.

Competitive player in renewable energy with an international presence

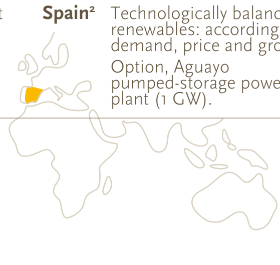
Estimated low carbon operating capacity (GW)1[1]

Phase I 2019 **3 GW**	Organic growth - develop early-stage, ready-to-build assets. Develop renewable project capabilities and portfolio.
Phase II 2020-2025 **7.5 GW**	Build and commission a portfolio of projects, with more than 500 megawatts per year in early-stage assets. Create international platforms.
Phase III 2026-2030 **15 GW**	Accelerate organic development above 1 gigawatt per year. Optimize the portfolio by taking advantage of opportunities.

International Portfolio development and exploration of opportunities in other European and American markets.

Spain[2] Technologically balanced renewables: according to demand, price and growth. Option, Aguayo pumped-storage power plant (1 GW).

Chile Highly sophisticated market with a stable and mature regulatory framework. 50% JV with Ibereólica



International

	Solar	Wind
2025	**0.7 GW**	**1.3 GW**
2030	**3.1 GW**	**3.6 GW**

Spain

	Solar	Wind	Hydraulic
2025	**1.0 GW**	**1.4 GW**	**0.7 GW**
2030	**2.0 GW**	**2.3 GW**	**1.7 GW**

1. Renewables considering 100% in Spain and internationally (excl. Chile) and 50% interest in JV in Chile.
2. Does not include other conventional generation such as cogeneration (622 MW) and combined cycle (1,648 MW).

Industrial

This division will bring together Refining, Chemicals, Trading and Gas Wholesaling. This will enhance profitability, build new leading platforms for carbon-neutral businesses and reduce emissions[1] by more than 2 Mt of CO2 by 2025 compared to 2020.

Industrial complexes (in Spain, Portugal and Peru) will become multi-energy hubs capable of generating low carbon footprint products and driving new business models based on digitalization and technology. To undertake this transformation process, the Company will rely on:

- Energy efficiency, in which the company will invest more than 400 million euros over the duration of the Plan to cut 800,000 metric tons of CO2 and lay the foundations to transform industrial centers into net zero emission facilities.
- Circular economy industrial complexes are already adapting to use waste from various sources as raw material and convert it into carbon-neutral products (fuels and materials), reaching an advanced biofuel production capacity of 1.3 Mt by 2025 and more than 2 Mt by 2030.
- Renewable hydrogen for use in refineries and to produce synthetic fuels. Repsol's ambition is to reach a production equivalent to 400 MW by 2025, topping 1.2 GW by 2030.
- Carbon capture and utilization will also be present in the transformation process through the synthetic fuel project at Petronor, the only refinery on the Iberian Peninsula and one of only a few in Europe equipped for this process.

Industrial complexes capable of generating low-carbon footprint products

New decarbonization technologies: highlight projects

C-43: Advanced biofuels plant	Investment	Capacity	**Cartagena**
HVO plant - **Reduction of 900,000 t/year in CO2 emissions**	€188 M	250,000 t/y 300,000 t/y	Advanced biofuels From waste per year
Circular Economy in Chemicals			**Puertollano**
• Project Zero: chemical recycling of used plastics • Project Reciclex: mechanical recycling of polyolefin	€70 M	74,000 t/y	Circular polyolefins[1]
Plant for the generation of biogas from urban waste			**Petronor**
Biogas will replace traditional fuel consumption	€20 M	10,000 t/y	Urban waste
Net zero emissions fuel plant			**Petronor**
Production of eco-fuels from renewable hydrogen and CO2	€60 M	10 MW	Electrolyzer

1. Recycle the equivalent of 20% of our polyolefin production by 2030, a target to which other technologies will also contribute (e.g. gasification).

Upstream

We shall focus on key geographic areas, prioritizing value over volume and cutting emissions across the asset portfolio, which will continue to be actively managed. The division will play to its strengths –flexibility, efficiency and high technology– to increase its contribution to the Group and generate positive cash flow despite reducing investment intensity.

We shall focus on short cycle projects that can be managed flexibly and with limited capital intensity. Production will be close to 650 k/boed by 2025 and the global presence will encompass fourteen countries, with more efficient and focused exploration.

1. Scope 1+2 emissions.

Upstream:

strong portfolio of short-cycle projects with attractive remuneration

The area will generate 4.5 billion free cash flow from 2021 to 2025, lower its cash breakeven by 20% to below $40/bbl, and cut CO_2 emissions by 75%.

Main projects at Upstream

1. Akacias <40
2. BPTT
3. Buckskin FFD <40
4. Eagle Ford ~35
5. Lapa SW ~40
6. Marcellus <2
7. United Kingdom <30
8. Shenzi N <40
9. Yme <30
10. BM-C-33 ~40 Condensate/Gas
11. Leon Moccasin ~40 Oil
12. México ~40 Oil
13. Pikka <40 Oil
14. Sakakemang Gas at fixed price

Nimbler and more efficient corporate and service areas

Digitalization will play a key role in the new organization through artificial intelligence, automation of operations and cloud solutions.

We expect the positive impact of projects to exceed 800 million euros per year as soon as 2022 (with respect to the start of the Digitalization Program in 2018).

Strategic talent management

Reskilling and upskilling to cope with digitalization, new business and decarbonization

Promoting **data culture**

Offering a new and adapted **professional development** framework.

Diversity and **inclusion**

Agile organization

Agile & Lean. New ways of working throughout the value chain

Simplifying the corporate structure and accelerating the **global service** model

Promoting **flexibility**, **productivity** and **work-life balance**

More **inspirational** and **entrepreneurial leadership**

2025 objectives

-20% of the executive structure

35% female leadership

-20% corporate expenses

1st leadership quartile[2]

-20% management levels[1]

70% Repsol culture index

1. Only in corporate and core business areas.
2. Repsol historically carries out Leadership and Culture indices based on a methodology conducted by external consultancy.

Profitable pathway to decarbonization: target of zero net emissions by 2050

Repsol believes that decarbonization, in addition to mitigating the effects of climate change, is an opportunity to create value at the businesses. The 2021-2025 Plan sets new and more ambitious emission reduction targets, envisioning a reduction in carbon intensity of 12% by 2025, 25% by 2030 and 50% by 2040, compared to 10%, 20% and 40%, respectively, set previously.

Hence, Repsol is committed to a model that integrates several technological options, combines electrification with low carbon footprint products, and offers solutions to all community needs. A combination of different sources of energy will allow for efficiently achieving the goal of zero net emissions, quickly and at the lowest possible cost to the public.

For further information on the decarbonization and climate change strategy, see *section 8.1 Climate change*. For further information on decarbonization, *see section 8.3 Technology and digitalization.*

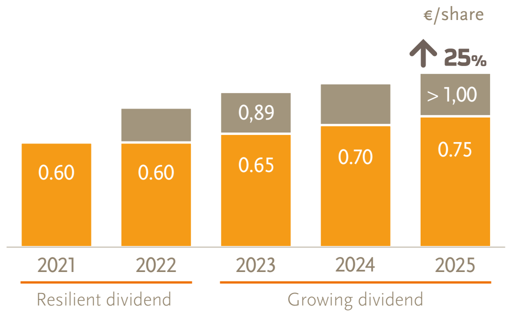
Shareholder remuneration

The Company will continue to offer one of the most attractive shareholder remunerations in the industry and among Ibex listed companies. In 2021, the dividend will be around 0.60 euros per share (cash dividend in July following the scrip dividend paid out in January. For more information, see *section 6.4 Shareholder remuneration*). This amount will increase gradually throughout the Plan until it reaches 0.75 euros per share. In 2025, the shareholder remuneration will be at least 1 euro per share, including the cash payment share buybacks to be made from 2022 onwards.

New, more ambitious emissions reduction targets

Shareholder remuneration

Resilient and growing returns with organic surplus cash in the Plan's pricing scenario



Financial discipline

Reduction in average return 2021-2025 < 15% vs. previous proposal

● Repurchase ● Dividend

2021	2022-2025
€0.6/share dividend paid in cash (except January 2021) Committed at $40/barrel Brent	Increase in cash dividend Annually from 2023 to €0.75/share in 2025 Additional repurchases (50 M shares/year)[1] reaching > €1/share in 2025 **€1.4-€2.0B** for repurchases in 22/25

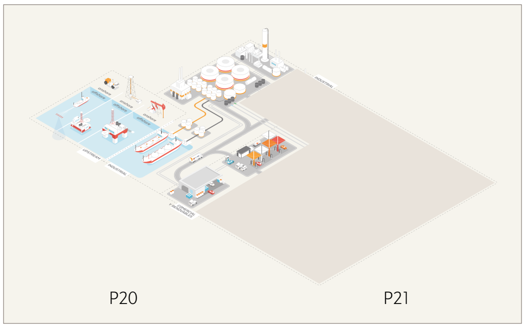
(1) 200 million shares over the period of the Strategic Plan.

Attractive shareholder remuneration

2021-2025 Strategic Plan

Free cash flow generation	Profitable businesses	New operating model	Leader in return	Prudent financial policy	Cost-effective and realistic net zero emissions target	Differential transformation ambition
€2.2 billion/year Free cash flow 2021-2025	Resilience and strength 2021-2022 Accelerated transformation 2023-2025: **€1.8 /share** EPS 2025 **+7%** CAGR 19-25 Operating cash flow/share	Shareholder or IPO in renewables	**€0.6 /share** in 2021 **€0.75 /share** in 2025 **€50 M** buybacks from 2022	**~25%** Leverage 2021-2025	**12%** reduction in the CII in 2025 **+2 pp** ROACE 2025	**30%** CAPEX in low carbon 2021-2025

Note: Strategic Plan objectives with prices at $50/barrel and $2.5/MBtu.



4. Our company

4.1. Value chain and business segments

Refining

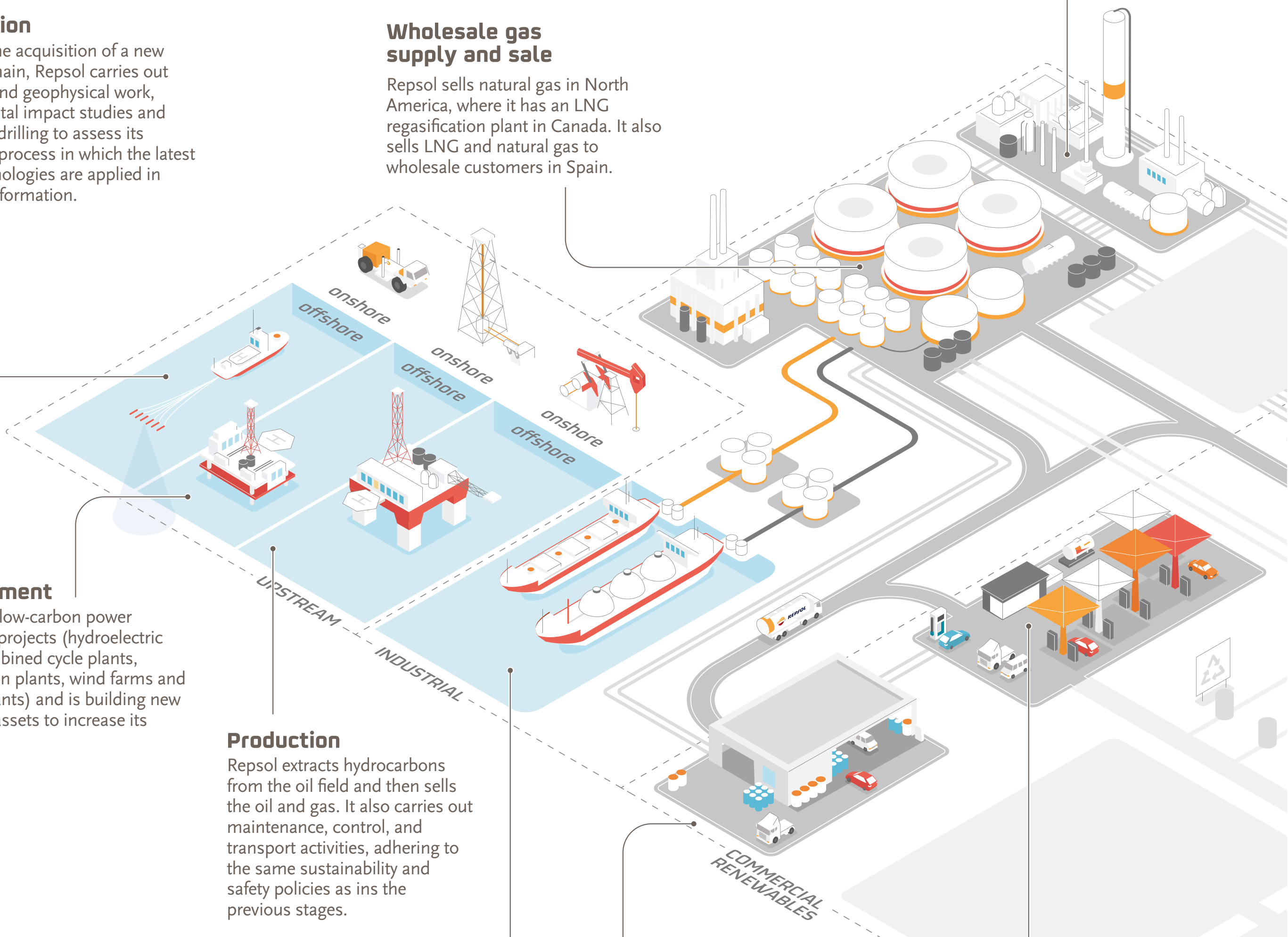
Repsol transforms crude oil and various alternative raw materials (urban, forestry, agricultural and agri-food industry waste) into value-added products, such as fuels, sustainable biofuels (hydrogenated vegetable oil, biogas, biojet, etc.) and carbon-neutral materials.

Exploration

Following the acquisition of a new mining domain, Repsol carries out geological and geophysical work, environmental impact studies and exploratory drilling to assess its potential, a process in which the latest digital technologies are applied in analysing information.

Wholesale gas supply and sale

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



Development

Repsol has low-carbon power generation projects (hydroelectric plants, combined cycle plants, cogeneration plants, wind farms and solar PV plants) and is building new renewable assets to increase its capacity.

Production

Repsol extracts hydrocarbons from the oil field and then sells 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.

Trading

The hydrocarbons produced are transported to supply raw materials to Repsol's refineries or are sold on international markets.

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.

Mobility

To promote more sustainable mobility, Repsol leads the development of more efficient fuels, the supply of alternative solutions, such as AutoGas or Natural Gas Vehicular, and the commitment to electric charging and shared mobility through Wible, all while seeking to provide unrivalled levels of customer attention and support through the Waylet app.

Value chain and business segments

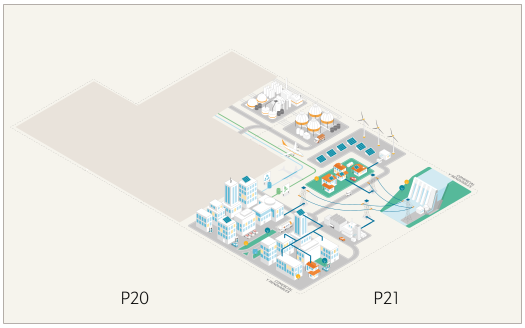
Repsol has revised the definition of its operating segments in 2020 to bring it into line with the renewed strategic vision of the businesses and with our commitment to be CO2 neutral by 2050. In particular, the company will boost its commercial businesses with a new multi-energy offering, a customer-focused strategy and the development of new low-emission electricity generation businesses. Therefore, a new segment has been defined under the name "Commercial and Renewables".

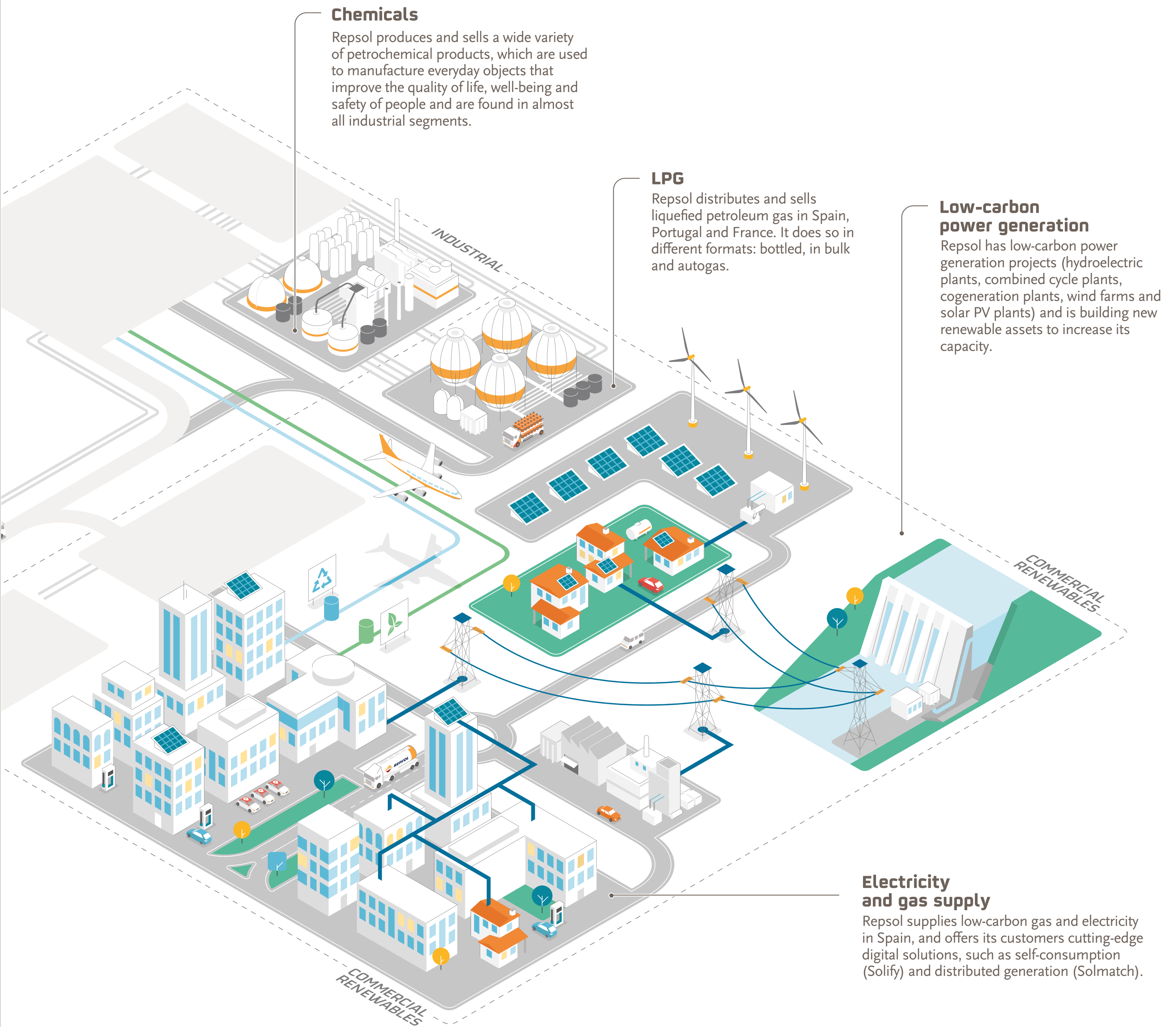
Repsol's reporting segments are:

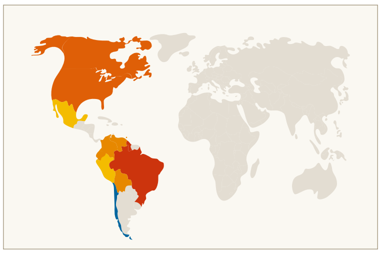
- *Exploration and Production:* activities for the exploration, development and production of crude oil and natural gas reserves;
- *Industrial:* mainly corresponds to (i) refining activities, (ii) petrochemicals, (iii) trading and transportation of crude oil and oil products, and (iv) sale, transportation and regasification of natural gas and liquefied natural gas (LNG);
- *Commercial and Renewables:* mainly integrates the businesses of (i) low-carbon power generation and renewable sources, (ii) sale of electricity and gas, (iii) mobility and sale of oil products, and (iv) liquefied petroleum gas (LPG).

For more information on the business segments, see section 7. Our businesses in 2020.

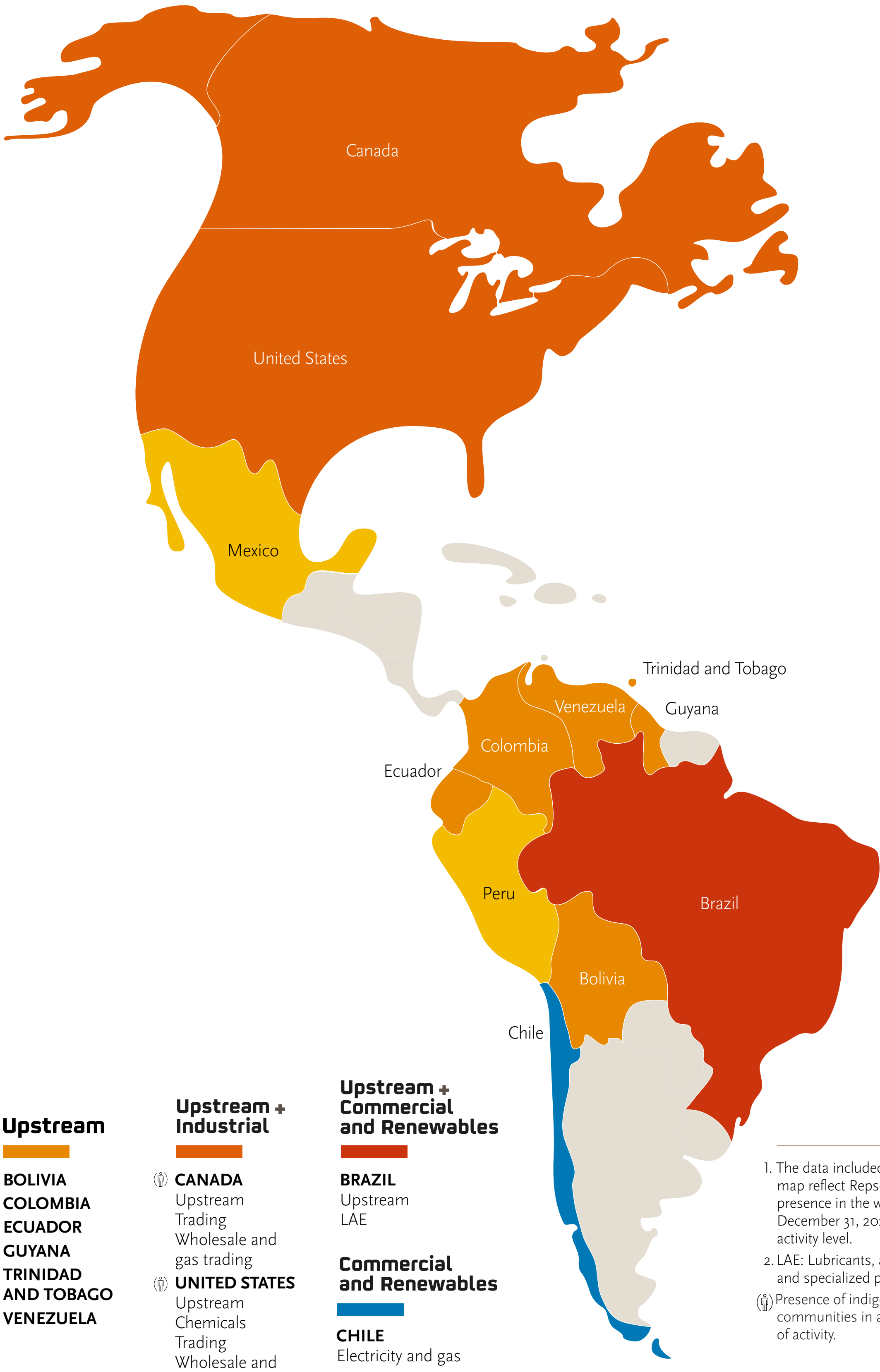
To meet the challenges of the new 2021-2025 Strategic Plan, Repsol will evolve its organization around four business segments, which are described in *Section 3. New Strategic Plan*







4.2. Repsol around the world[1]



All

MEXICO
Upstream
Chemicals
LAE[2]
Mobility

PERU
Upstream
Refining
Trading
LAE
Mobility

Upstream

BOLIVIA
COLOMBIA
ECUADOR
GUYANA
TRINIDAD AND TOBAGO
VENEZUELA

Upstream + Industrial

CANADA
Upstream
Trading
Wholesale and gas trading

UNITED STATES
Upstream
Chemicals
Trading
Wholesale and gas trading

Upstream + Commercial and Renewables

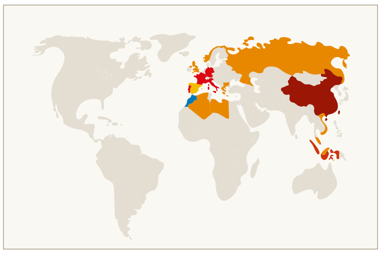
BRAZIL
Upstream
LAE

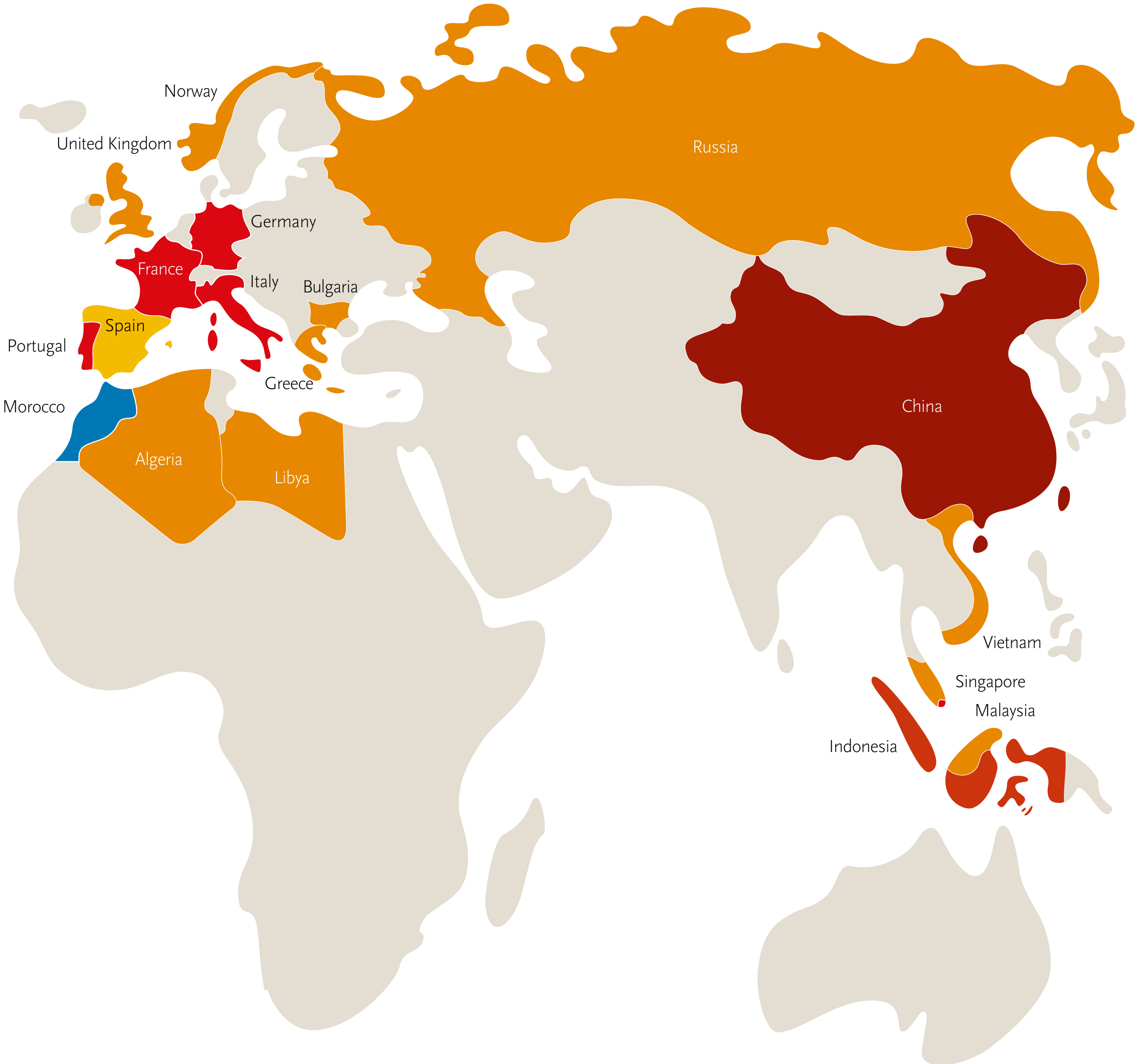
Commercial and Renewables

CHILE
Electricity and gas

1. The data included in this map reflect Repsol's presence in the world as of December 31, 2020 at the activity level.
2. LAE: Lubricants, asphalts and specialized products.

Presence of indigenous communities in areas of activity.





1. The data included in this map reflect Repsol's presence in the world as of December 31, 2020 at the activity level.
2. LAE: Lubricants, asphalts and specialized products.
3. In the process of exiting pending official ratification.

Presence of indigenous communities in areas of activity.

All

SPAIN
Upstream
Chemicals
LAE[2]
Refining
Trading
Wholesale and gas trading
Electricity and gas
Mobility
LPG

Upstream

ALGERIA
AUSTRALIA[3]
BULGARIA
IRAQ[3]
IRELAND[3]
GREECE
LIBYA
NORWAY
UNITED KINGDOM
RUSSIA
MALAYSIA
VIETNAM

Upstream + Commercial and Renewables

INDONESIA
Upstream
LAE

Commercial and Renewables

MOROCCO
Upstream[3]
LAE

Industrial

CHINA
Chemicals

Industrial + Commercial and Renewables

GERMANY
Chemicals
LAE

FRANCE
Chemicals
LAE
LPG

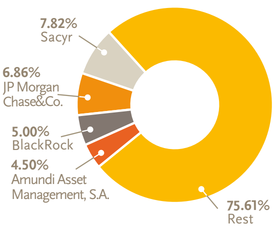
ITALY
Chemicals
LAE
Mobility

PORTUGAL
Chemicals
LAE
Mobility
Electricity and gas
LPG

SINGAPORE
LAE
Trading

4.3. Corporate governance

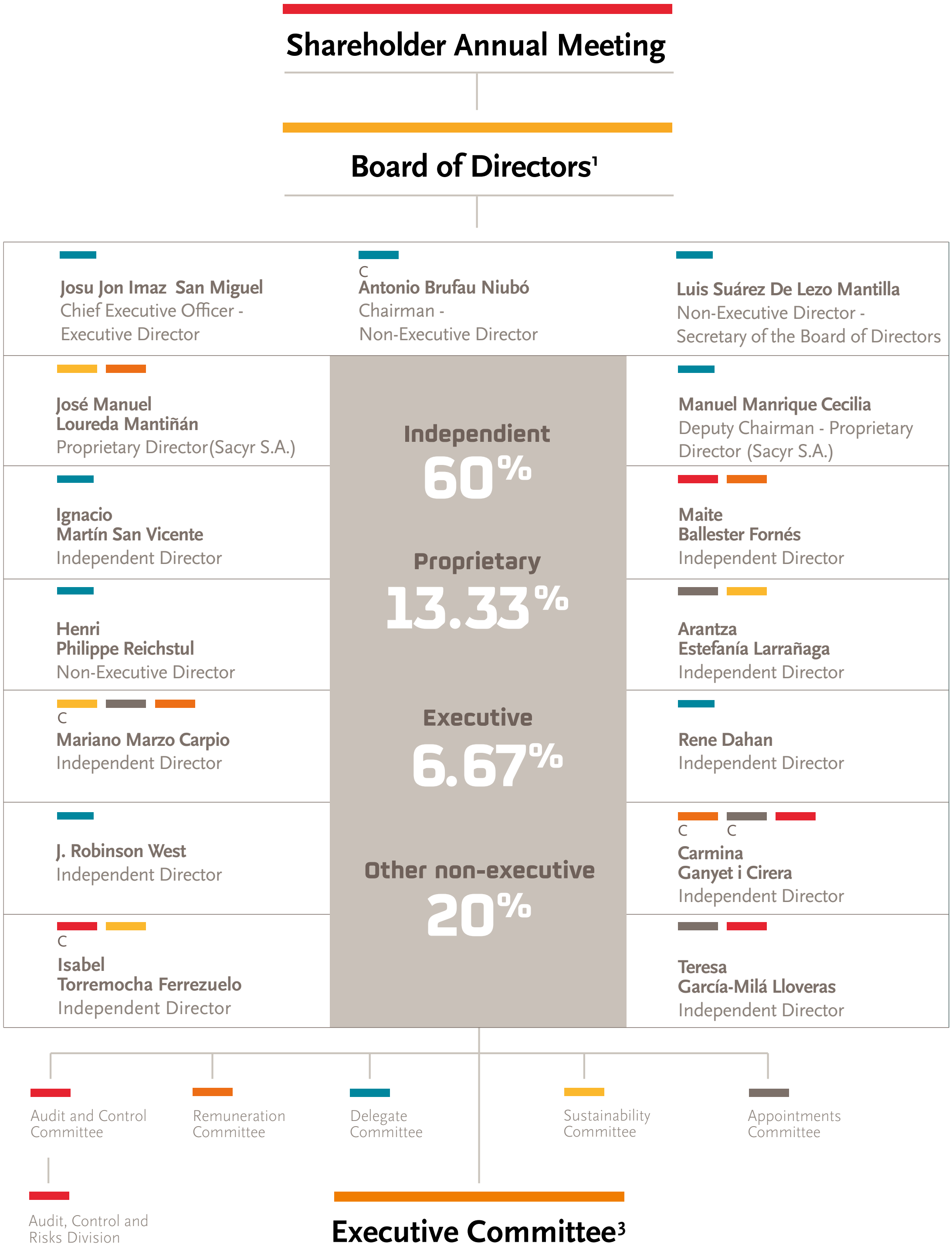
Shareholder structure[1]



1. % of voting rights at the date of this report, based on latest available information. For more information, see *Note 6.1 of the consolidated Financial Statements* and *Section 2.1. of the Annual Corporate Governance Report*.

Repsol's system of corporate governance, which was established in accordance with best national and international practices 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.



1. Composition at the date of preparation of this document. For further information, *see Section A.3 of the Annual Corporate Governance Report.*
2. C: Chairman of the Committee.
3. In December 2020, a new organizational structure was approved to develop the new Strategic Plan, which has led to changes in the composition of the Executive Committee. *For more information, see section B.5 of the Annual Corporate Governance Report.*

Additional information on the Shareholder Annual Meeting and the composition, competencies and functioning of the Board and its Committees. *See Sections B.2 and B.3 of the Annual Corporate Governance Report*, respectively.

Board Remuneration

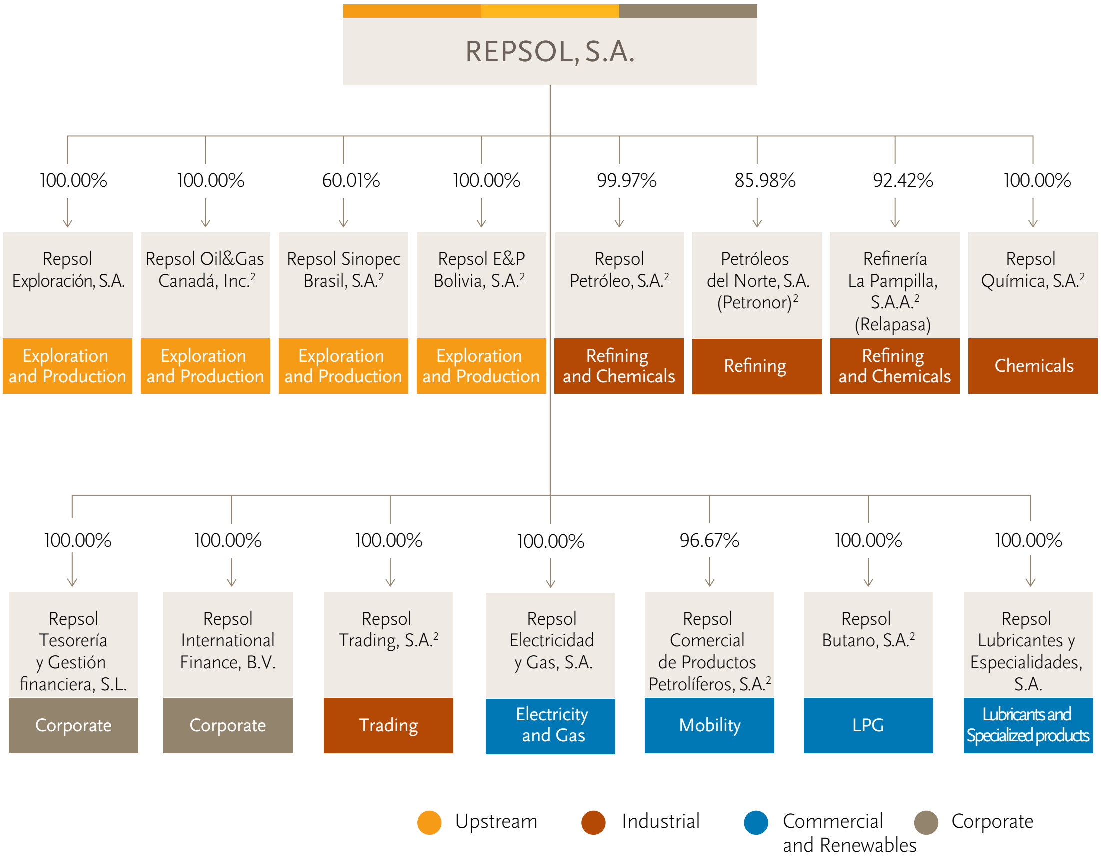
Directors receive fixed remuneration for fulfilling their supervisory and decision-making duties. Aside from the remuneration payable to the Chairman of the Board of Directors, remuneration is calculated by assigning points for seats held on the Board or its various committees, or for holding specific positions on those bodies. Each point has a remuneration equivalence, meaning there is no difference in remuneration by gender. 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 28 to the 2020 Consolidated Financial Statements.

Corporate structure adapted to the new strategy

4.4. 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. For more information, *see Appendix I of the consolidated Financial Statements and section 8.7.*
2. Indirect shareholdings.

Adjustments to the corporate structure

In 2020, Repsol's corporate structure was adjusted to bring it in line with the new scope and objectives of the business segments envisioned in the Strategic Plan 2021-2025. The Group's subsidiaries operating in each of the businesses were grouped together under parent entities (Customer, Industrial Transformation and Circular Economy, Low-Carbon Generation and Upstream) to enable more nimble and differentiated management and financing and support the growth and transformation of the businesses in accordance with the objectives of the Strategic Plan in a context of energy transition.

-3.5%

Forecast global growth in 2020

5. Environment

5.1. Macroeconomic environment

Recent economic trends

In 2020 the **global economy** experienced an unprecedented shock due to the spread of the coronavirus and the containment measures taken to alleviate the health crisis.

The sheer scale and speed of the collapse in global economic activity seen between mid-March and the end of April 2020 was unprecedented. In April, when activity bottomed out in many countries, it is estimated that the global economy was contracting by 20% year-on-year. In May and June, as many economies relaxed restrictions after the "*big lockdown*", activity began to recover.

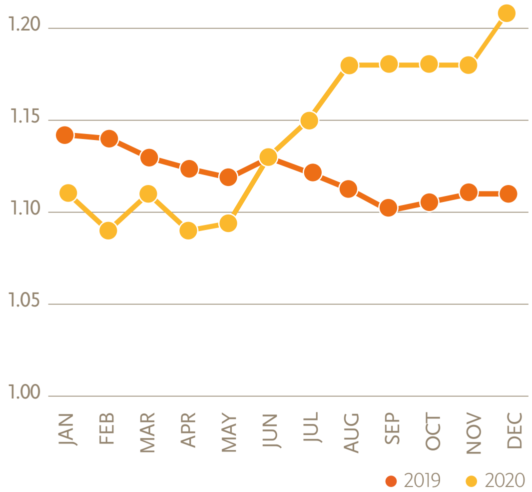
Recent macroeconomic developments have been shaped by two factors: i) a faster than expected recovery when restrictions have been lifted, partly because of strong support in the form of economic policies. This resulted in a particularly positive third quarter of 2020 for economic activity, revealing a still partial though vigorous recovery; ii) the new waves of the pandemic and threats of new strains, which have forced a further tightening of restrictions, especially in Europe. Despite everything, the new restrictions put in place have not been as widespread and harsh as those seen in the spring. Therefore, the impact has been somewhat less harsh and also varies by sector. While certain services are suffering, manufacturing remains buoyant thanks to the order backlog and by a still vigorous external demand.

According to the latest estimated released by the International Monetary Fund (IMF, World Economic Outlook – January 2021) after the world economy grew by 2.8% in 2019, it looks to have dipped 3.5% in 2020, equivalent to a cut of 6.8 points in comparison with pre-COVID estimates.

For developed economies, GDP change in 2020 is forecast at -4.9%. The contraction is estimated to be less in the United States (-3.4%) than in the Euro Zone (-7.2%), while Spain was one of the most affected economies (-11.0%). For the emerging economies as a whole a fall in activity of -2.4% is projected for 2020, but this hides the differential behavior of China, which is expected to grow by +2.3%. Some Latin American countries and India may experience significant contractions.

After the onset of the pandemic, at an early stage of increased uncertainty, the **dollar** became a safe haven. This led to a further appreciation of the dollar, which reached 1.08USD/EUR during part of February and March. Yet once central bank measures alleviated the shortage of dollar funding and financial stresses eased, the dollar began to depreciate and climbed past 1.20USD/EUR by year-end 2020, where it has since stabilized. The dollar weakened because the interest rate differential between the United States and the Euro Zone narrowed (to stimulate the economy, the Fed again reduced rates to zero, the minimum level, while the ECB already had rates at the minimum level, so was unable to make further decreases).

EUR/USD exchange evolution (monthly average)



Source: *Repsol´s Division of Business Studies & Analysis*

5.2. Energy landscape

Crude oil – Brent

Brent crude averaged 41.8 $/bbl in 2020. Brent crude began the year at around $68/bbl, before dropping to below $20/bbl in April and then recovering to above $50/bbl late in the year.

Crude oil prices have been heavily affected by the pandemic. The COVID-19 crisis triggered an unprecedented contraction in oil consumption. The drastic measures rolled out by governments to control the spread of the virus by limiting social interaction, imposing significant mobility restrictions and closing borders and non-essential sectors, directly impacted the consumption of oil products. During the most critical lockdown period in the second quarter, the contraction in global oil consumption was -16.4 million bbl/d, bringing demand levels down to those of the 2004-2005 period.

41.8 $/bbl

Brent crude average – 2020

On the supply side, the reaction of both OPEC and non-OPEC lent some support to prices. In April, OPEC+ agreed on the largest and longest staggered production cut in its history, while in the rest of the countries we witnessed the natural dynamic whereby falling prices triggered a decline in investment and consequently a fall in production; the main difference being that in the current climate this dynamic was a more rapid affair than on previous occasions.

Despite these adjustments, it was not until November that crude oil prices rebounded steadily to over 45 $/bbl in response to announcements by pharmaceutical companies about effective vaccines at their final stages of clinical research. This gave the market a more realistic expectation of recovery, especially by 2021. However, the context remained complex, with demand still sluggish due to the impact of COVID-19 and supply facing the return of Libyan production and weaknesses in the enforcement of cuts by some OPEC+ members.

As a result, in the first half of 2020 there was an oversupply position, with an unprecedented build-up of inventories. But, as of the second half of the year, there was a gradual decline in inventories, which, however, has left 2020 with an average build-up of about 2.5 million bbl/d.

Natural Gas – Henry Hub

The price of U.S. Henry Hub natural gas averaged $2.1/MBtu in 2020, trading about 19 % below its level in 2019. Persistently high production levels and mild winter temperatures continued to apply pressure on gas prices during the early months of the year. This situation was then aggravated by the emergence of COVID-19 and the lockdown measures put in place to stop it from spreading, which dampened demand and caused an even greater reduction in prices. Turning to U.S. exports of liquefied natural gas, canceled loads in the wake of the pandemic placed further pressure on prices. With low Henry Hub prices and declining crude oil prices, output was also driven down. However, from September to the end of the year there was a gradual price recovery supported by seasonal demand and revived export flows. This weighed more on the price than the slight productive uptick.

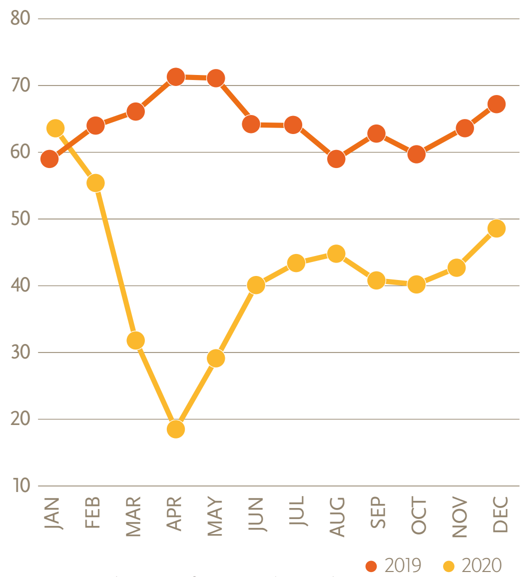
According to the latest figures released in the United States, if this trend continues –limited production growth and a recovery in domestic demand and exports– then looking ahead to next year we can expect to see an average price above the 2020 level as a result of this closer supply-demand balance.

For more information, see Section 9.1 Outlook for the energy sector.

2.1 $/MBtu

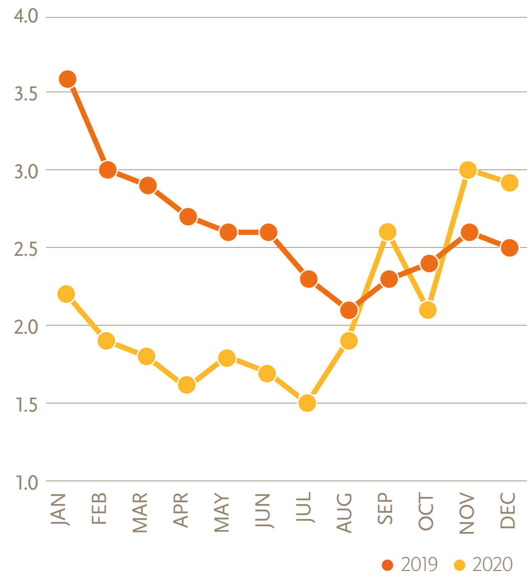
Henry Hub 2020 average

Brent crude price evolution (USD/bbl)



Source: *Repsol´s Division of Business Studies & Analysis*

Henry Hub price evolution (USD/MBtu)



Source: *Repsol´s Division of Business Studies & Analysis*

6. Financial performance and shareholder remuneration

Performance shaped by the challenging environment

Reduction in net debt (-€1,178 mn without leases) and strong liquidity (€9,195 mn)

6. Overview

Results in 2020 were affected by the **global economic recession** stemming from the COVID-19 pandemic, with low crude oil prices (Brent 41.8 vs 64.2 in 2019) and gas prices (Henry Hub 2.1 vs. 2.6 in 2019), a dramatic decline in product demand, a reduction in the Refining margin indicator in Spain ($2.2/bbl vs. $5.0/bbl in 2019) and a weaker dollar versus the euro (€/$1.14 vs. 1.12 in 2019), more pronounced in the second half of the year).

Adjusted net income for 2020 amounted to 600 million euros, notably down on the previous year (-71%), largely as a result of the price decline and the resulting effort to optimize production, plus operational problems due to security issues in Libya at Upstream, lower demand and a reduction in Refining margins, and lower sales at Mobility due to the mobility restrictions put in place to combat COVID-19.

Repsol posted **net income** of -3,289 million euros, due to the negative impact of reference commodity prices on the valuation of inventories (-978 million euros, reflected in the so-called inventory effect) and the significant write-downs recognized for certain Upstream assets after reviewing assumptions of future crude oil and gas prices (-2,821 million euros under special items).

Despite the extremely challenging environment, the 2020 Resilience Plan enabled Repsol to achieve positive operating cash flow (3,197 million euros) across all businesses, cover net investments (1,218 million euros) and interest payments, and observe its shareholder remuneration commitments in 2020, which included the share buyback program. At year-end, **net debt** without leases came to 3,042 million euros (6,778 million euros with leases), revealing a leverage ratio of 12.8% (24.8% with leases) and **liquidity** of 9,195 million euros, enough to cover short-term maturities by a factor of 3.2.

6.1. Results

Million euros	2020	2019	Δ
Upstream	195	1,050	(855)
Industrial	297	913	(616)
Commercial and Renewables	485	541	(56)
Corporate and Others	(377)	(462)	85
Adjusted net income	**600**	**2,042**	**(1,442)**
Inventory effect	(978)	(35)	(943)
Special Items	(2,911)	(5,823)	2,912
Net income	**(3,289)**	**(3,816)**	**527**

Adjusted net income

Amid the global economic crisis and reduced mobility, there was a significant reduction in **EBITDA** (2,730 million euros vs. 7,161 million euros in 2019); as a result of lower income (widespread reduction in prices and volumes, plus lower margins at the industrial businesses).

EBITDA *(Millions of euros)*	2020	2019
Upstream	2,090	4,255
Industrial	(161)	1,997
Commercial and Renewables	970	1,059
Corporate and Others	(169)	(150)
TOTAL	**2,730**	**7,161**

Adjusted net income was 600 million euros, down 71% year on year.

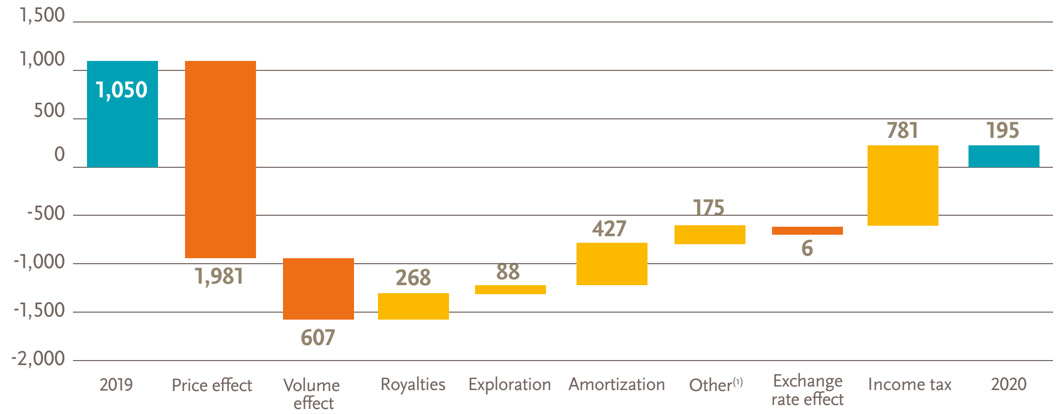
Upstream

Average **production** in the period amounted to 648 Kboe/d, down 9% on 2019. This decline was largely due to production stoppages in Libya (through to October), the cesation or temporary reduction of operations at certain assets as a result of falling demand and prices, and natural decline at oil and gas fields.

In relation to **exploration activity**, the drilling of nine exploration wells was completed in 2020, seven of them yielding a positive result. While exploration activity and investment has declined significantly, hydrocarbon discoveries have been made in the United States, Bolivia, Colombia and Mexico.

For further information on the activities of the Upstream segment, see Section 7.1 Upstream.

***Upstream* adjusted net income variation**



(1) Includes, among others, production costs and the results of investees and non-controlling interests.

Upstream **adjusted net income** amounted to 195 million euros, down 855 million euros on 2019, as a result of:

- lower realisation prices for crude oil (-34%) and gas (-21%), notably affecting results in Brazil, the United States, Trinidad, the United Kingdom and Norway;
- lower sales volumes, mainly a result of lower production due to security stoppages in Libya, and because of the cesation or reduction of operations at other assets due to the prevailing price environment;
- lower production taxes and oil and gas royalties, in response to falling prices and volumes;
- lower exploration costs, mainly because of the reduction in dry wells;
- lower depreciation and amortisation costs due to the impact of the impairment recognised in 2019 and 2020 and quieter levels of production;
- lower "Other costs" due to the impact of reduced staff costs and operating adjustments; and
- lower income tax following the decline in operating income (effective tax rate of -48%; the same as in 2019).

Investment in 2020 (948 million euros) was significantly down (61%) on 2019 (2,429 million euros), as envisioned under the Resilience Plan. Investment activity focused on production and/or development assets in Norway, the United States, Trinidad and Tobago, Brazil, the United Kingdom and Malaysia. Exploratory investment was focused largely on the United States (Alaska and Gulf of Mexico) and Mexico (Gulf of Mexico) and, to a lesser extent, Bolivia, Indonesia and Russia.

Industrial

Adjusted net income in 2020 amounted to 297 million euros, compared to 913 million euros in 2019.

The main reasons for this change are as follows:

- At **Refining**, the lower results in Spain arising from tighter margins and decreased sales due to the worsening international environment, was partially offset by production adjustment and plant logistics measures and by improved margins in Peru.
- At **Chemicals**, the drop in earnings was largely down to lower margins and sales, amid slumping demand in the automotive industry and other sectors and the maintenance work carried out in the first quarter at the Sines and Tarragona facilities.
- At **Trading**, the lower results were largely affected by the Crude Oil segment in response to quieter demand in Brazil and North America.
- At **Wholesale & Gas Trading**, better margins and inventory valuation at the Gas & Trading business in North America, were partially offset by the reduction in margins at the LNG Commercialization business.

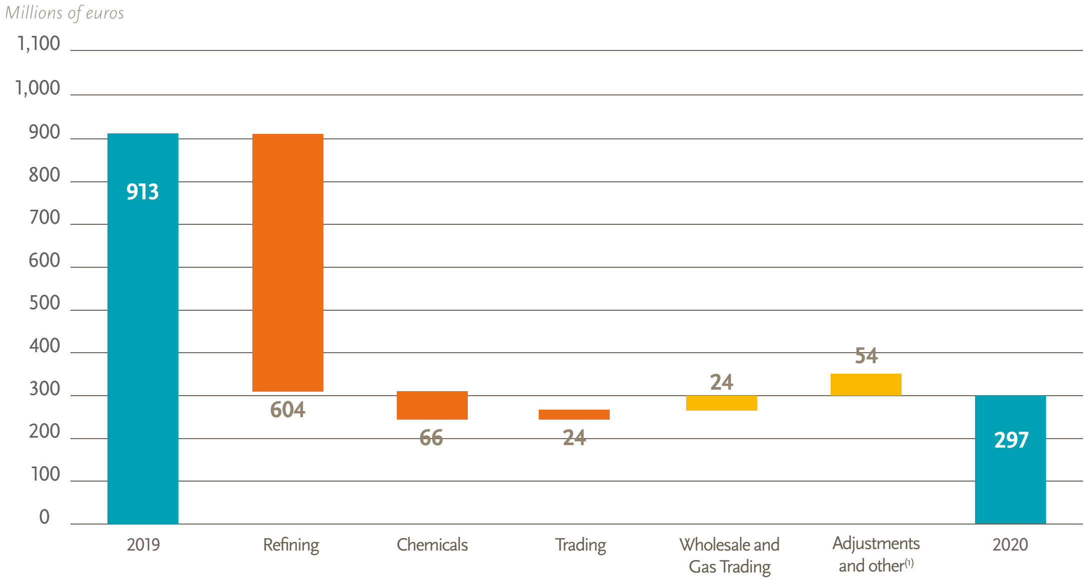
Operating **investments** at the *Industrial* segment in 2020 amounted to 565 million euros, down 36% on 2019 as envisioned in the Resilience Plan. The investments were aimed at maintaining levels of activity at industrial complexes and achieving efficiency improvements.

For further information on the activities of the Industrial segment, see Section 7.2 Industrial.

€600mn
Adjusted net income

Significant impact of mobility restrictions on Refining and Mobility

Industrial adjusted net income variation



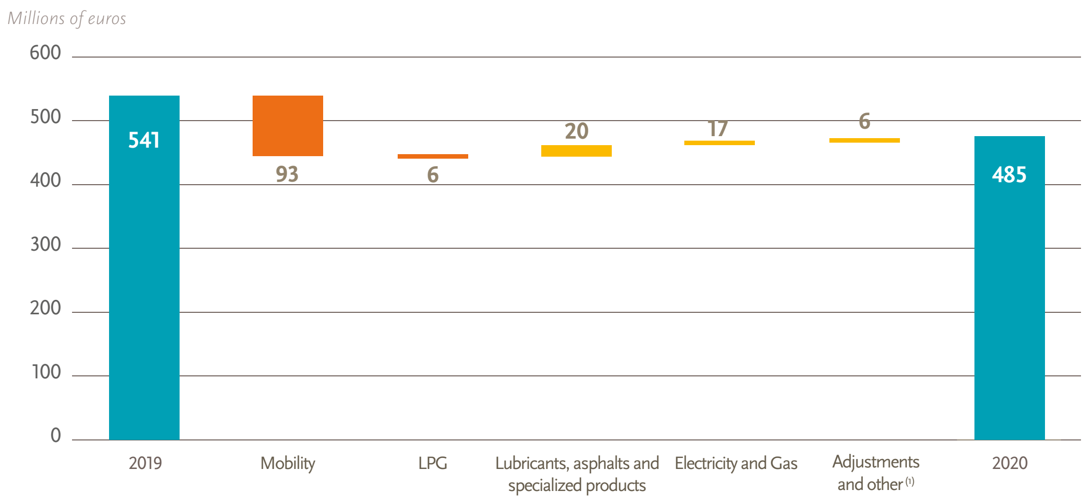
(1) Mainly the effect of the negative consolidation adjustments to eliminate the result of intragroup transactions between the business units operating at the Industrial segment.

Commercial and Renewables

Adjusted net income in 2020 came to 485 million euros, compared to 541 million euros in 2019.

- At **Mobility**, the decrease in results was largely due to lower demand at Service Stations, Direct Sales and International Aviation as a consequence of the mobility restrictions to combat COVID-19; partially offset by the management of commercial margins and the lower costs achieved under efficiency plans.
- At **LPG**, the drop in results caused by the reduction in sales volumes, in turn due to milder temperatures in Spain and the impact of COVID-19, was almost entirely offset by the cost reductions achieved under the efficiency plans and the increased margins obtained on regulated bottled gas.
- At **Lubricants**, earnings were up despite the reduction in sales, due to the increased margins obtained on Asphalt products because of product scarcity.
- At **Electricity & Gas**, results were up on 2019, largely due to a better performance from the Low Carbon Generation business, which reported increased margins despite the decline

Commercial and Renewables adjusted net income variation



(1) Mainly the effect of the negative consolidation adjustments to eliminate the result of intragroup transactions between the business units operating at the Commercial and Renewables segment.

in electricity pool prices in Spain. Further highlights included the increase in the number of electricity and gas retail customers and the increase in renewable generation following the entry into commercial operation of Delta I.

Operating **investment** in 2020 amounted to 739 million euros (up 51% on 2019). Most of this investment went to the Electricity and Gas renewables businesses with the development and implementation of new projects in Spain and the international expansion of this business thanks to the agreement reached with the Ibereólica Renovables group.

For further information on the activities of the Commercial and Renewables segment, see Section 7.3 Commercial and Renewables.

Corporate and Others

Earnings for 2020 amounted -377 million euros (vs. -462 million euros in 2019). Financial result saw an improvement due to increased gains on exchange rate and treasury positions, lower impact from discounting provisions to present value and lower interest on debt, though partially offset by worse results on interest rate positions.

At Corporate, the efforts made to cut corporate costs, as envisioned in the Resilience Plan, while continuing to push toward digitalization and technology initiatives, were offset by a worse performance from the group's insurance subsidiaries.

Net income

To the adjusted net income must be added the effects derived from:

- The **inventory effect**, which was a negative -978 million euros, vs. -35 million euros in 2019, following the sharp and deep decline in prices through to April in response to the impact on demand of COVID-19, together with crude oil oversupply.
- **Special items** in 2020 amounted to -2,911 million euros, largely due to the recognition of impairment at Upstream (the price of oil and gas is now expected to be lower in future due to changing predictions as to the economic impact and outcome of the COVID-19 crisis and the energy transition – *see following section*) and also the negative effect of exchange rates on tax positions (mainly due to the depreciation of the Brazilian real). In 2019, this heading mainly showed accounting write-downs for certain Upstream assets (-4,849 million euros) and provisions to cover litigation risks from the arbitration proceedings with Addax (-837 million euros; see *Note 15 of the 2020 consolidated Financial Statements*).

(Millions of euros)

Special Items	2020	2019
Divestments	174	49
Indemnities and workforce restructuring	(124)	(64)
Impairment of assets[1]	(2,182)	(4,867)
Provisions and others[2]	(149)	(941)
TOTAL	**(2,911)**	**(5,823)**

(1) In 2020 and 2019, this includes the recognition of impairment upon reviewing existing price assumptions due to the context (*see section below*) and other minor impairment charges.
(2) Mainly shows provisions for credit risk, legal and tax litigation and extraordinary exchange rate gains/losses on tax positions.

Accordingly, the Group's **net income** in 2020 totalled -3,289 million euros, versus -3,816 million euros in 2019.

Profitability indicators	2020	2019
ROACE – Return on average capital employed (%)[1]	(11.9)	(11.0)
Earnings per share (€/share)	(2.13)	(2.33)

(1) ROACE with leases: -10,3%

Asset impairment and write-downs

The COVID-19 pandemic has worsened the environment in which some of our businesses are expected to operate in the immediate future. The depth and scale of this unprecedented crisis make forecasts inherently uncertain, although at this time, following various announcements of a vaccine, we can already see signs of an economy recovery and a gradual stabilization of the Oil&Gas markets. Moreover, it is reasonable to expect that this recovery will continue and that we will see a return to pre-crisis scenarios from 2023 onwards. We also saw further pledges from governments in the latter half of the year, in line with the Paris climate goals, which will foreseeably speed up the decarbonization of the world economy and the energy transition this entails. (*See Section 3. New Strategic Plan and 9.2 Outlook for our businesses*)

Against this backdrop, Repsol has downgraded its expectations as to the future prices of crude oil and gas and therefore recognized impairment and write-downs on certain assets:

Investment boost to new renewable projects

Write-down of assets in the new international context

(Millions of euros)	**2020**
Upstream	**(3,115)**
Production assets	(2,325)
Exploration and development assets[1]	(121)
Goodwill	(594)
Tax credits	(75)
Industrial	**99**
Gas & Trading North America	212
Tax credits	(113)
TOTAL BEFORE TAX	**(3,016)**
TOTAL AFTER TAX	**(2,774)**

(1) Does not include negative bonds and exploration wells provisioned for or amortized in the normal course of operations and recognised as exploration costs within the adjusted net income of Upstream.

The main impairment (before tax) at the Upstream segment relates to:

- Production assets (-2,325 million euros): mainly assets in Trinidad and Tobago, Canada, the United Kingdom, the United States, Indonesia, and largely due to expectations of lower future oil and gas prices moving forward.
- Exploration and development assets (-121 million euros) in Indonesia, Russia and Bolivia.
- Goodwill (-594 million euros) relating to the Repsol Oil&Gas Canada Inc. business combination.
- Tax credits (-75 million euros) resulting from the new Upstream business scenarios, making it much harder to recover the tax relief mainly in Canada.

In the Industrial segment, a pre-tax impairment reversal of 212 million euros (net of the provision for onerous contracts) was reported at the Gas & Trading business in North America (mainly the Canaport regasification plant and pipelines for gas transportation in North America), due to the expected performance of gas volumes, prices and margins. Meanwhile, an impairment of tax credits (-113 million euros) was recognized in Canada due to the expected difficulty of recovering them.

The absence of significant impairment allowances at the Industrial and Commercial and Renewables segments is testament to the quality of the assets and the ability of the business models to adapt to the new environment.

For further information on the impairment recognized in the period, see Note 20 of the 2020 consolidated Financial Statements.

6.2. Cash flows

CASH FLOWS *(millions of euros)*	**2020**	**2019**
EBITDA	2,730	7,161
Changes in working capital	692	(67)
Dividends received	33	66
Income taxes received/(paid)	84	(1,047)
Other collections/(payments)	(342)	(276)
I. Cash flows from operations	**3,197**	**5,837**
Payments on investments	(2,377)	(3,953)
Proceeds from divestments	1.159	176
II. Cash flows from investing activities	**(1,218)**	**(3,777)**
FREE CASH FLOW (I + II)	**1,979**	**2,060**
Dividends and other equity instruments	(346)	(396)
Net interest and leases	(444)	(507)
Treasury stock	(378)	(1,844)
CASH GENERATION[1]	**811**	**(687)**

(1) Does not include flows from derivatives on Repsol, S.A. shares arranged/settled with financial institutions on a total notional amount of 70 million shares and which form part of "*cash flows from financing activities and other*" (937 million euros).

Solid free cash flow

Cash flow from operations (3,197 million euros) was down on the figure reported in 2019, though positive across all businesses, even amid the international crisis. The sharp reduction in EBITDA due to lower activity (lower prices and demand) at most of the Group's businesses as a result of COVID-19 was cushioned by the effect of the lower cost of inventories on working capital (price of inventories at the industrial businesses) and lower taxes.

Cash flows from investing activities (-1,218 million euros) were up on 2019, following a marked reduction in investments at Upstream (59%) and at Industrial (35%), as envisioned in the Resilience Plan, but maintaining investment in the new electricity and renewables businesses in alignment with the new strategic approach and the pledge to achieve net zero emissions by 2050. This heading also shows the amount of tax returned from previous years following the sale of Naturgy and the divestment in Vietnam.

Free cash flow amounted to 1,979 million euros, slightly down on the 2,060 reported in 2019, despite the current environment.

As a result of all of the above, and after meeting borrowing costs (-444 million euros), shareholder remuneration (-346 million euros) and treasury share acquisition (*see Section 6.4 Shareholder remuneration*), **cash generation** was a positive 811 million euros, showing an improvement on 2019, thanks to quieter levels of treasury share investment and interest.

6.3. Financial position

The financial objective envisioned in the 2020 Resilience Plan was to preserve the strength of our balance sheet and maintain an investment grade credit rating. With this in mind, there was to be no increase in debt in 2020 when compared to year-end 2019.

In line with the policy of financial prudence and commitment to maintaining a high degree of liquidity, the funds held in cash by the Group at year-end and available credit facilities comfortably meet debt maturities in the short term and are enough to cover all gross debt maturities.

Indebtedness

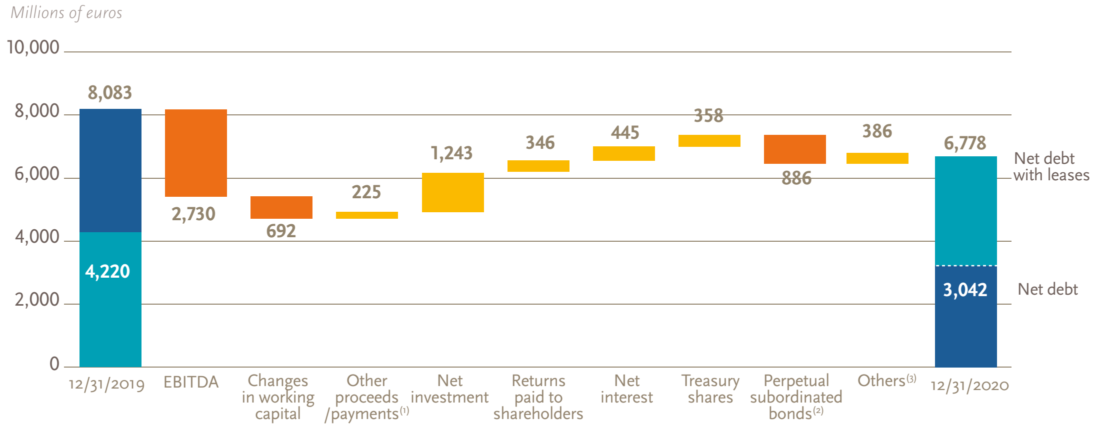
Net debt (3,042 million euros without leases and 6,778 million with leases) was down on the figure for 2019 (4,220 million euros and 8,083 million euros, respectively). Slower cash flows from operations as a result of COVID-19 was offset by a total of 886 million euros in net funds obtained from issuances and repurchases of equity instruments (perpetual subordinated bonds), a reduction in investment (down 40% on 2019) and fewer treasury share acquisitions.

Leverage

12.8%

Robust financial structure

Net debt variation

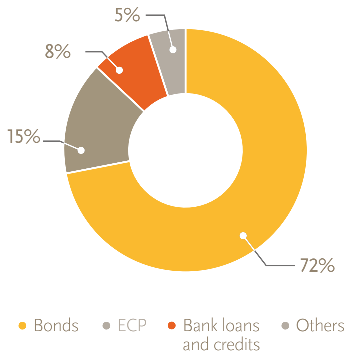


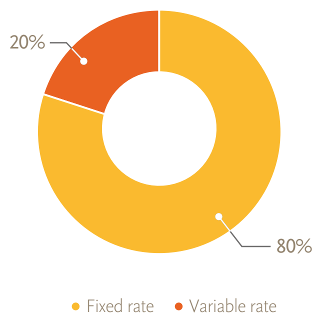
(1) Includes income tax refunded/(paid) and other proceeds from/(payments for) operating activities.
(2) Net impact of the issuance and partial repurchase described under "Principal financing transactions".
(3) Includes, among others, new lease agreements in the period, impairment of instruments or exchange rate effect.

The **leverage** ratio (12.8% ex leases) remains below the industry average and below December 2019 levels.

The **composition** and **maturity of gross debt** (9,098 million euros without leases) at December 31, 2020 was as follows:

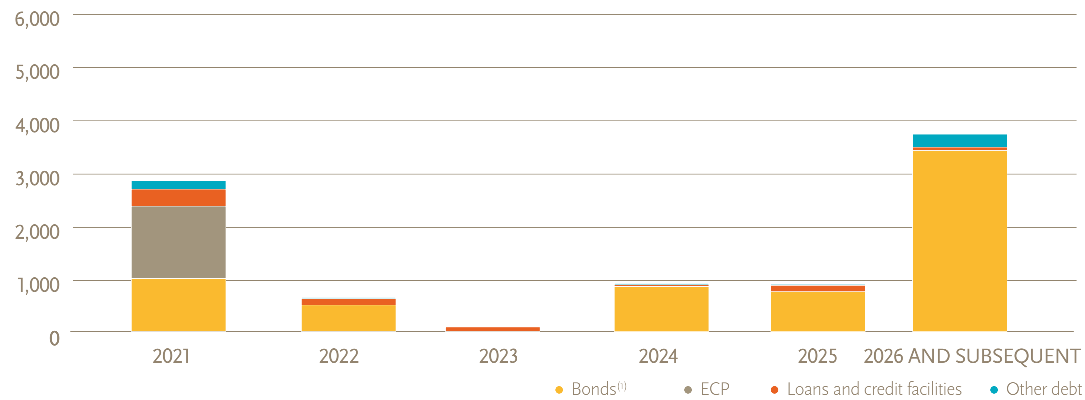
Gross debt





Strong liquidity 9,195 million euros

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



Note: Does not include perpetual bonds issued by Repsol International Finance that qualify as equity instruments amounting to €1,906 million (*see Note 6.4 of the 2020 consolidated Financial Statements*).

(1) Emissions guaranteed by Repsol, S. A.

Main financing transactions

In 2020 the main financing transactions, through Repsol International Finance, B.V., were:

- In April, Eurobonds were issued for an amount of 1,500 million euros: (i) 750 million euros with a fixed annual coupon of 2%, maturing in December 2025; and (ii) 750 million euros with a fixed annual coupon of 2.625%, maturing in April 2030.
- In May, a bond issue for a nominal amount of 1,200 million euros and a fixed annual coupon of 2.625% was redeemed at maturity.
- In June, two subordinated perpetual bond issues were offered to raise 1,500 million euros: (i) 750 million euros with a fixed coupon of 3.750%, with a first option to redeem in March 2026; and (ii) 750 million euros with a fixed coupon of 4.247%, with a first option to redeem in September 2028.
- In June, the Repurchase Offer on the perpetual subordinated bonds issued in March 2015 was settled, involving a payment of 594 million euros of the nominal amount (59.4% uptake).
- In October, Eurobonds were issued in the amount of 850 million euros, with a fixed annual coupon of 0.125%, maturing in October 2024.
- In December, a bond issue for a nominal amount of 600 million euros and a fixed annual coupon of 2.125% was redeemed at maturity.

In addition, RIF has a *Euro Commercial Paper ECP* program guaranteed by Repsol, S.A. for a maximum amount of 2,000 million euros. The outstanding balance at December 31, 2020 was 1,370 million euros.

For further information, see Notes 6.4 and 7.2 of the 2020 consolidated Financial Statements.

Liquidity

Group liquidity, including committed and undrawn credit facilities, stood at 9,195 million euros at December 31, 2020, which is enough to cover its short-term debt maturities by a factor of 3.2. Repsol had undrawn credit facilities amounting to 3,436 million euros and 1,818 million euros at December 31, 2020 and 2019, respectively.

Investment grade maintained

Credit rating

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

	Standard & Poor's	Moody's	Fitch
Term	**Repsol, S.A.**	**Repsol, S.A.**	**Repsol, S.A.**
Long-term	BBB	Baa2	BBB
Short-term	A-2	P-2	F-2
Outlook	stable	negative	stable
Date of latest modification	03/25/2020	04/02/2020	04/02/2020

Treasury shares and own equity investments

A particular highlight in 2020 was the acquisition of 23.6 million shares under the share buyback program, which, together with the 75.4 million shares acquired before March 25, 2020 (scheduled date of the 2020 General Shareholders' Meeting), were redeemed (accounting for approximately 6.09% of Repsol's share capital at the redemption date) in order to offset the dilutive effect of the scrip issue carried out during the year under the "*Repsol Flexible Dividend* program" (*see Section 6.4 Shareholder remuneration*). All derivatives on treasury shares outstanding at 31 December 2019 (affecting a total notional number of 70 million shares) were settled in full during 2020.

At December 31, 2020, a total of 19.6 million shares were held in treasury, representing 1.25% of share capital at that date.

For further information, see Note 6 of the 2020 consolidated Financial Statements.

Moreover, the Group acquired call options on its shares for a nominal 90 million shares, and put options for a nominal 25 million shares.

The shares repurchased plus the derivatives arranged cover 56% of the total share buybacks envisioned in the Strategic Plan, at an average price of 7.45 euros per share.

For further information, see Note 9 of the 2020 consolidated Financial Statements.

6.4. Shareholder remuneration

Repsol does not have a formal policy on dividends, and the Company's eventual decisions on shareholder remuneration depend on several factors, including the performance of its businesses and its operating results. Shareholder remuneration in 2020 and 2019 under the "*Repsol Flexible Dividend*"[1] program is:

- Remuneration of €0.916/share[2] in 2020. Repsol paid out a total gross amount of 343 million euros to shareholders and delivered 98,982,965 new shares, for an equivalent amount of 1,075 million euros, to those who opted to receive new shares in the Company.
- Remuneration of €0.916/share[3] in 2019, with Repsol paying out a gross total of 398 million euros to shareholders and delivered 71,394,987 new shares, equivalent to 1,017 billion euros, to those who opted to receive new shares in the Company.

In October 2020, capital was reduced through redemption of treasury shares as approved by the shareholders at the Annual General Meeting in 2020, to offset the dilutive effect of the bonus share issues formalized in 2020 under the *"Repsol Flexible Dividend"* program.

In addition, in January 2021, under that program, replacing what would have been the interim dividend from 2020 profits, Repsol paid out 102 million euros in cash (0.288 euros gross per right) to those shareholders opting to sell their bonus share rights back to the Company, and delivered 40,494,510 shares, worth 338 million euros, to those opting to take their dividend in the form of new shares in the parent Company. At the date of publication of this Management Report, the Board of Directors has agreed to implement a Share Repurchase Programme for a maximum of 40,494,510 shares, accounting for approximately 2.58% of the current share capital. The sole purpose of this programme is to acquire the shares that will be redeemed if the Capital Reduction to be proposed at next annual General Shareholders' Meeting is ultimately approved.

At the date of authorization for issue of these annual financial statements, the Company's Board of Directors has resolved to propose to shareholders, at the next annual General Shareholders' Meeting, the distribution of a cash dividend amounting to 0.60 euros gross per share. Of this amount, the Board will propose that the gross sum of 0.30 per share be paid out of 2020 earnings as from 7 July 2021, and 0.30 euros per share[4] be paid out of unrestricted reserves, if applicable, as from 1 January 2022 and by no later than 31 January 2022, on a date to be determined by the Board of Directors. These proposals replace the Repsol Flexible Dividend remuneration program that Repsol has been running in recent years.

For further information on expected future shareholder remuneration, see Section 3. New Strategic Plan.

€0,916 per share

shareholder remuneration in 2020 and 2019

1. For further information on the total returns received by shareholders and bonus share issues under the "*Repsol Flexible Dividend*" program, *see the Section titled "Share capital" of Note 6 "Equity" of the 2020 consolidated Financial Statements.*
2. Includes Repsol's irrevocable undertaking to purchase bonus share rights on the occasion of the two bonus share issues completed in January and July 2020 (0.424 and 0.492 euros, gross, per right, respectively).
3. Including an irrevocable undertaking given by Repsol to purchase bonus share rights on the occasion of the two bonus share issues in January and July 2019 (0.411 euros and 0.505 euros gross per right, respectively).
4. The gross amount of 0.30 per share shall be reduced by the gross amount per share which, prior to the agreed date, the Company may have agreed to distribute and disclosed to the market, if any, as an interim dividend payable out of the current year's profits earned since the end of the 2020 financial year.

€8,44 per share
2020 average share price

Our share price

The Group's main stock market indicators in 2020 and 2019 were as follows:

Main stock market indicators	2020	2019
Shareholder remuneration[1] (€ per share)	0.92	0.92
Share price at end of period[2] (euros)	8.25	13.93
Period average share price (euros)	8.44	14.43
Period high (euros)	14.36	15.52
Period low (euros)	5.23	12.48
Number of shares outstanding at end of the year (million)	1,527	1,527
Market capitalization at year-end (million euros) [3]	12,601	21,277
Dividend yield[4] (%)	6.6	6.5

(1) For each period, shareholder remuneration includes 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) Period-end closing market price per share, times the number of outstanding shares.
(4) Earnings per share for each year / Share price at end of previous year

Repsol's share price ended the year significantly below its level at the beginning of the year. The energy sector was hit hard by the COVID-19 pandemic. Between March and April, the stock was dragged down by historic falls in the price of crude oil. In the second half, uncertainty surrounding the recovery of demand and the weakness of refining margins drove the share price down to the year's lows in October. Brighter expectations as to a way out of the crisis after vaccines against the virus were announced and the new 2021-2025 Strategic Plan was unveiled led to a partial recovery of the stock in the last two months of the year.

Share price over time

a) February 24 (€11.315): Italy registers first case of COVID-19.
b) March 13 (€7.542): Spanish government announced a state of emergency.
c) April 21 (€7.278): low closing price of Brent ($19.33/barrel).
d) June 2 (€8.976): Repsol issues two subordinated perpetual bonds for a total nominal amount of €1.5 billion.
e) November 9 (€6.824): Announcement of the first vaccine for COVID-19.
f) November 26 (€8.436): presentation of the 2021-25 Strategic Plan.

7. Our businesses

7.1 Upstream

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 appraisal wells, definition of discovered resources and determination of their commerciality.
- **Development:** drilling of production wells, construction of collection systems, processing plants and evacuation and transportation systems for production of reserves. Sustainability, safety and transparency policies are uniformly applied to all operations to ensure the project is duly implemented.
- **Production:** commercial operation of hydrocarbons.
- **Decommissioning:** abandonment and reconditioning of all facilities to leave the area in the same environmental condition as prior to the start of Upstream operations.

1,852 Mboe
proven reserves

648 kboe/d
hydrocarbon production

3,353
employees

Main operating figures	**2020**	**2019**
Net undeveloped acreage (km²)	147,230	179,516
Net developed acreage (km²)	6,576	6,695
Reserves of crude oil, condensate and LPG (Mbbl)	577	620
Natural gas reserves (Mboe)	1,275	1,519
Proven reserves replacement ratio (%) [(1)]	(21)	23
Liquids production (kbbl/d)	217	254
Gas production (kboe/d)	432	455
Hydrocarbon production (kboe/d)	648	709
Crude oil realization price ($/bbl)	37.7	57.3
Gas realization price ($/bbl)	2.3	2.9

(1) Proven reserves replacement ratio: (quotient between the total additions of proven reserves in the period and the production of the period)

Million euros

Our performance in 2020	**2020**	**2019**	**Δ**
Operating income	351	1,969	(1,618)
Income tax	(167)	(948)	-
Investees and non-controlling interests	11	29	(18)
Adjusted Net Income	**195**	**1,050**	**(855)**
Inventory effect	-	-	-
Special Items	(2,610)	(5,645)	3,035
Net income	**(2,415)**	**(4,595)**	**2,180**
Effective tax rate (%)	(48)	(48)	-
EBITDA	**2,090**	**4,255**	**(2,165)**
Investments	**948**	**2,429**	**(1,481)**

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

Main events of the period

Impact of COVID-19 and price review

The pandemic and the pricing environment significantly affected Upstream operations. Activity was reduced, investments were limited and operations were adjusted (with the consequent drop in production) according to criteria of profitability and asset value in accordance with the new Strategic Plan and the Resilience Plan (*see Section 2. COVID-19: Impacts and Resilience Plan*).

In the context of the 2020 Resilience Plan and taking a further step toward a more efficient, flexible and nimble organization where talent, leadership, digitalization and new ways of working continue to move forward, organizational changes were implemented during 2020. At Upstream, Repsol, developed a simpler organization with a smaller management structure to move along a roadmap drawn by the new Strategic Plan of geographic concentration, focus on cash generation in low price scenarios and flexibility of investments in unconventional and short cycle projects, prioritizing value over volume.

Future price patterns and production plans for certain assets were reviewed, which led to impairments of some assets as described in *Section 6.1 of this report and in Note 20 of the 2020 consolidated Financial Statements*.

Average production

Average production in 2020 was 648 kboe/d, 9% less than in 2019. The decline was mainly due to production stoppages (Libya), natural decline of fields (Canada, Trinidad), temporary cease of productions due to the price environment in Chauvin (Canada) and Akacias (Colombia), lower gas demand (Peru, Algeria and Indonesia) and expiration of the license for Piedemonte (Colombia), partly offset by the acquisition of an additional 63% in Eagle Ford (USA) at the end of 2019, the connection of new wells, mainly in Marcellus (USA), and the start of production in Buckskin (USA) in June 2019.

Exploration campaign

In 2020, we finished drilling 7 exploration and 2 appraisal wells, 7 with positive results (3 exploration and 1 appraisal in the United States –2 exploration wells in Alaska and 1 appraisal well in the Gulf of Mexico–, 2 exploration wells in Mexico and 1 in Colombia), 1 exploration well with negative results in Mexico and 1 appraisal well under evaluation in Colombia.

At December 31, 2021, the BSC-X1ST exploration well in Bolivia –subsequently yielding a positive result in 2021– and one appraisal well in Indonesia was in progress.

Acreage

In 2020, exploration blocks were acquired in Indonesia (Aru, with a stake of 100%) and Russia (Sablerskiy, as part of the AROG Joint Venture, with a stake of 49%). In Norway, Repsol acquired development block PL-055E (Brage site), with a stake of 33.84%. In the United States, 9 blocks were acquired in the Gulf of Mexico (5 in the Walker Ridge area and 4 in Keathley Canyon). Also in the U.S. Gulf of Mexico, an agreement was reached with Shell to acquire an 8.5% interest at 8 blocks in the Alaminos Canyon area.

Reserves

The change in proven reserves in 2020 was -50 Mboe, mainly by negative changes in activity plans (extensions and discoveries) and negative reviews. The Proven reserves replacement ratio, calculated as the quotient between the total additions of proven reserves in the period and the production of the period, was -21% in 2020 (23% in 2019).

Sustainability performance

In terms of the environmental performance of the Upstream business in 2020, the concept of the Circular Economy was successfully implemented.

As the first oil and gas company to apply the "Biodiversity and Ecosystem Services (BES) Management Ladder" methodology, and thanks to its concern for biodiversity, Repsol was awarded an exceptionally good score on the environmental, social and corporate governance (ESG) factors scale, ahead of its competitors, according to data from Sustainalytics and Vigeo Eiris, which focus on countries in the parts of the world where Repsol has Upstream operations.

21-25 Strategic Plan: 2021-2025 priorities

1 Prioritizing Free Cash Flow (leading FCF breakeven)

- FCF breakeven of <$40/barrel
- Low capital intensity and flexibility
- Generating €4.5 billion of FCF at $50/barrel and HH of $2.5
- Reducing OPEX by 15%

2 Delivering resilient value

- Leading profitability by project
- Short-term returns
- Digital program
- Achieving a 30% reduction in overheads and administrative costs

3 Focused portfolio

- Value over volume
  - Flexible production level (~650 thousand boe/d in 2021-25)
  - <14 countries
- Exploration scaled back and more focused

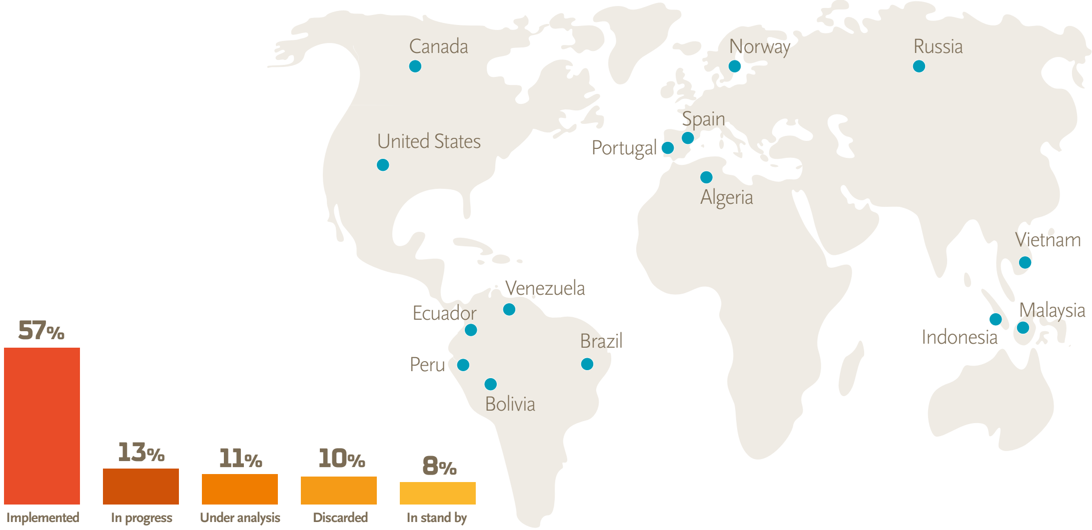
4 Level one in CO_2 emissions

- 75% reduction in emissions intensity
- Streamlining and scaling back the Upstream portfolio
- Scaling back/exiting carbon-intensive and non-strategic assets

2021-2025 SP:

Creating strategic options and flexibility

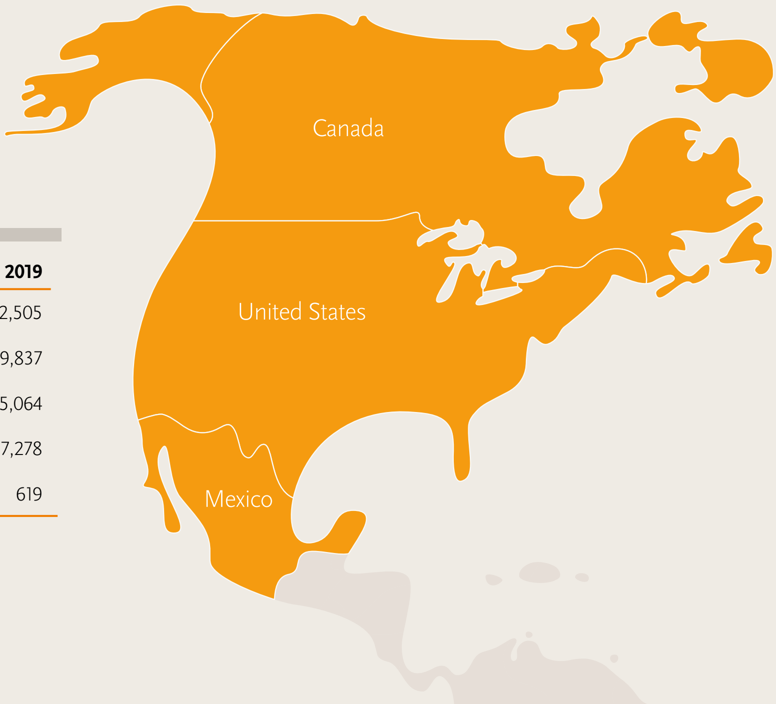
Circular Economy initiatives



61 circular initiatives:

85% in efficiency and innovation process and **11%** in renewable energy and alternative raw materials

North America



Main figures	2020	2019
Net developed acreage (km²)	2,444	2,505
Net undeveloped acreage (km²)	9,033	9,837
Net development acreage (km²)	4,835	5,064
Net exploration acreage (km²)	6,643	7,278
Net proven reserves (Mboe)	491	619

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 south east of Louisiana
United States	Eagle Ford	85.69%	P	L-G	Unconventionall onshore gas with associated liquids to the south of Texas
United States	Marcellus	83.94%	P	G	Unconventional 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 southwest 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 44.37%	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 the state of Louisiana
Canada	Edson & Wild River	Average 65.14%	P	L-G	Productive area in the heart of the state of Alberta. Unconventional
Canada	Chauvin	Average 66.25%	P	L-G	Heavy crude oil located in Alberta/Saskatchewan. Unconventional
Canada	South Duvernay	100%	P	L-G	Area in the development phase, with oil and gas production, in central Alberta. Unconventional

(1) *Further information in Appendix Ic of the 2020 consolidated Financial Statements.*
(2) P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

Major exploration discoveries in Mexico and the United States and new acreage in the United States.

6,643 km²
net exploration acreage

491 Mboe
net proven reserves

72Mboe
total hydrocarbon production

Operations performance	2020	2019
Liquids production (Mbbl)	20	18
Gas production (Bcf)	294	274
Total hydrocarbon production (Mboe)	72	66
Crude oil realization price ($/bbl)	35.7	55.0
Gas realization price ($/kscf)	1,8	2,2
Oil production wells	1,943	1,434
Gas production wells	2,228	2,918
Development wells completed:	**18**	**104**
Positives	18	103
Negatives	-	1
Under evaluation	-	-
Completed and ongoing exploration wells (1):	**6**	**3**
Positives	5	1
Negatives	1	-
Under evaluation	-	-
Ongoing	-	2

(1) Does not include appraisal wells: 1 with a positive result in 2020 and 5 in 2019, 4 positive and 1 under evaluation.

Main events of the period

- **United States: discoveries in the Gulf of Mexico and Alaska, new production wells at Marcellus and Eagle Ford and new acreage in the Gulf of Mexico**

In January, eight new wells were put into production at the Marcellus unconventional gas production asset, located between the states of Pennsylvania and New York.

Between January and February, seven new wells were put online at the Eagle Ford unconventional production asset.

In April, the discovery of oil in the US part of the Gulf of Mexico was announced at the Monument exploration well, where Repsol holds a 20% stake alongside Equinor (operator) with a 50% stake, and Progress Resources USA Ltd, with the remaining 30%.

Also in April, two further exploration discoveries were made at the North Slope project in Alaska, where Repsol holds a 49% stake, namely the Mitquq-1 and Stirrup-1 wells.

In November, Repsol acquired nine blocks in the US GOM round – Lease sale 256. Of these nine blocks, five were awarded in partnership with Equinor in the Walker Ridge area; the other four were acquired in partnership with Llog Exploration in the Keathly Canyon area in the surroundings of the Leon/Moccasin developments.

Also in November, Repsol completed the purchase from Shell of an 8.50% interest in eight blocks in the Alaminos Canyon area of the Gulf of Mexico, at the Blacktip North, Bobcat and Lucille exploratory projects. Shell (operator) and Equinor are our partners on these deepwater projects.

- **Mexico: significant deepwater discoveries**

In May, Repsol announced two important deepwater oil discoveries at two high quality sites in block 29. Repsol holds a 30% stake in this block and is the operator. The exploration wells (Polok-1 and Chinwol-1) are located in the Salina basin and have a net oil pay thickness of 200 meters and 150 meters, respectively.

Sustainability performance	2020	2019
No. of employees	945	790
% of women	33	32
% of women in leadership positions	24	25
Oil spills reaching the environment (t) (1)	10.27	5.52
CO_2e emissions (Mt) (*Scope* 1 + 2)	1.3	1.55
TRIR	1.05	3.40
PSIR	4.36	2.89
Voluntary social investment (thousands of €)	1,103	688

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

Latin America

Main figures	2020	2019
Net developed acreage (km²)	704	761
Net undeveloped acreage (km²)	30,805	48,663
Net development acreage (km²)	4,528	4,822
Net exploration acreage (km²)	26,981	44,602
Net proven reserves (Mbep)	1,056	1,196

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 the pre-salt of the Santos basin
Brazil	BM-S-9A (*Lapa*)	15.00%	P / D	L	Ultra-deep waters in the pre-salt of the Santos basin
Brazil	BM-S-50 (*Sagitario*)	12.00%	E	L-G	Ultra-deep waters in the pre-salt of the Santos basin
Brazil	BM-C-33 (C-M-539)	21.00%	D	L-G	Ultra-deep waters in the pre-salt of the Campos basin
Brazil	Albacora Leste	6.00%	P	L-G	Deep Waters in the Campos Basin
Bolivia	Margarita - Huacaya (*Caipipendi*)	37.50%	P	L-G	Southern Sub-Andean Basin to the south of the country
Bolivia	Sábalo	24.17%	P	L-G	Southern Sub-Andean Basin to the south of the country
Bolivia	San Alberto	24. 17%	P	L-G	Southern Sub-Andean Basin to the south of the country
Colombia	Equion	30.00%	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	Petroquiriquire (Barúa Motatán and Mene Grande)	40.00%	P / D	L	Maracaibo onshore basin

(1) *Further information in Appendix Ic of the 2020 consolidated Financial Statements.*
(2) P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

Exploratory discovery in Colombia, new productive well in Trinidad and Tobago and important production milestones in Brazil.

26,981 km²
net exploration acreage

1,056 Mboe
net proven reserves

108 Mboe
total hydrocarbon production

Operations performance	2020	2019
Liquids production (Mbbl)	30	35
Gas production (Bcf)	440	483
Total hydrocarbon production (Mboe)	108	121
Crude oil realization price ($/bbl)	36.0	52.4
Gas realization price ($/kscf)	1.9	2.3
Oil production wells	741	792
Gas production wells	207	241
Development wells completed:	**17**	**32**
Positives	15	30
Negatives	1	-
Under evaluation	1	2
Completed and ongoing exploration wells (1):	**2**	9
Positives	1	-
Negatives	-	4
Under evaluation	-	3
Ongoing	1	2

(1) Does not include appraisal wells: 1 in 2020 and 1 in 2019 under evaluation.

Main events of the period

- Trinidad and Tobago: new production well at bpTT

In March, the Amherstia well was put into production at the assets of bpTT, where Repsol holds a 30% stake.

- Colombia: discovery of an exploration well in the Llanos basin

In March, the Lorito Este-1 exploration well was discovered at the CPO-9 production block in the Llanos basin, where Repsol holds a 45% stake.

- Brazil: resumption of production at two wells in Albacora Leste and production sales milestone at Sapinhoá

In January and February, production was resumed at 2 active wells in the Albacora offshore asset.

In August, Repsol achieved the milestone of 125 million barrels of oil sold from the Sapinhoá asset in Brazil's deep waters. This figure required 130 ship-to-ship transfer operations. During the transfers, more than 1 million hours worked took place with no adverse impact to the environment or fatalities.

- Venezuela: complex environment

Political instability and economic recession continued to be a threat, and new international sanctions were adopted. For further information, *see Note 20.3 of the 2020 consolidated Financial Statements*.

- Bolivia: discovery at Caipipendi

In January 2021, the first production tests run by the Boicobo Sur X1 exploratory well confirmed the discovery of new gas volumes at the Caipipendi contract area in Bolivia. The discovery is tentatively estimated as being around 1 TCF (trillion cubic feet) of reserves and prospective resources. The BCS-X1ST well is located in the Luis Calvo province of the department of Chuquisaca in the Caipipendi contract area, which also covers territory in the department of Tarija. Repsol is the operator of the Caipipendi contract area with a 37.5% stake, in partnership with Shell, Pan American Energy and Yacimientos Petrolíferos Fiscales Bolivianos.

Sustainability performance	2020	2019
No. of employees	1,028	1,123
% of women	25	24
% of women in leadership positions	23	20
Oil spills reaching the environment (t) (1)	-	5.95
CO_2e emissions (Mt) (*Scope* 1 + 2)	0.8	0.83
TRIR	1.80	0.71
PSIR	0.46	0.52
Voluntary social investment (thousands of €)	3,168	6,095

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

Europe and Africa

Main figures	Europe 2020	Europe 2019	Africa 2020	Africa 2019
Net developed acreage (km²)	594	596	1,095	1,095
Net undeveloped acreage (km²)	11,922	17,913	8,355	8,355
Net development acreage (km²)	1,841	1,132	2,605	2,605
Net exploration acreage (km²)	10,675	17,377	6,845	6,845
Net proven reserves (Mboe)	81	88	141	127

Countries	Main assets (1)	% Repsol	P/D/E (2)	L/G (2)	Description
Norway	Operated assets (Varg, Gyda, Yme...)	Average 43.44%	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 18.52%	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, etc.)	Average 39.89%	P	L-G	Offshore assets located mainly in the Central North Sea basin
United Kingdom	RSRUK non-operated assets (Balmoral, Cawdor, etc.)	Average 5.82%	P	L-G	Offshore assets located mainly in the Central North Sea basin
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, 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 2020 consolidated Financial Statements.*
(2) P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

Resumption of production in Libya and new production wells in Norway.

	Europe	Africa
Net exploration acreage	**10,675** km²	**6,845** km²
Net proven reserves	**81** Mboe	**141** Mboe
Total hydrocarbon production	**19** Mboe	**13** Mboe

Operations performance	Europe 2020	Europe 2019	Africa 2020	Africa 2019
Liquids production (Mbbl)	14	16	7	15
Gas production (Bcf)	29	35	34	42
Total hydrocarbon production (Mboe)	19	22	13	22
Crude oil realization price ($/bbl)	41.0	64.5	41.7	63.3
Gas realization price ($/kscf)	3.0	4.6	3.5	4.6
Oil production wells	230	241	387	385
Gas production wells	11	11	93	92
Development wells completed:	**4**	**7**	**6**	**14**
Positives	4	7	6	14
Negatives	-	-	-	-
Under evaluation	-	-	-	-
Completed and ongoing exploration wells [1]:	**-**	**4**	**-**	**-**
Positives	-	1	-	-
Negatives	-	3	-	-
Under evaluation	-	-	-	-
Ongoing	-	-	-	-

(1) Europe: Does not include appraisal wells: no activity in 2020 and 2019. Africa: Does not include appraisal wells: no activity in 2020 and 2 negative wells in 2019.

Main events of the period: Europe and Africa

- **Norway: new production wells at Brage and Gudrun, new acreage and important milestone in development at YME**

  In February and May, two new wells were put into production at Brage, while a further well was commissioned in April at Gudrun.

  In June, the Norwegian authorities granted an extension of production at the Rev site operated by Repsol through to the end of 2023.

  The Company has also acquired development block PL-055E (Brage site), with a 33.84% stake.

  In December, the Mærsk Inspirer mobile offshore drilling and production unit was successfully installed at the Yme field in the southern North Sea. Now that this milestone has been reached, first oil is expected to be extracted in the second half of 2021.

- **Bulgaria: transfer of the stake in block 1-21 Han Asparuh**

  In June, it was announced that Repsol had obtained permission to transfer its 30% stake in block 1-21 Han Asparuh, located on the Bulgarian Black Sea Coast, to its partners Total and OMV.

- **Ireland: transfer the stake and exit from the country**

  In August, the Irish authorities greenlighted the process of transferring Repsol's stake to the remaining parties to the FEL 3/04 license, which involves Repsol's exit from the Republic of Ireland.

- **Libya: complex environment**

  As a consequence of security issues in Libya, production was halted for almost the whole of the first three quarters of 2020. Production resumed in October following a ceasefire between the warring parties. *For further information, see Note 20.3 of the 2020 consolidated Financial Statements.*

Sustainability performance	Europe 2020	Europe 2019	Africa 2020	Africa 2019
No. of employees	736	890	112	131
% of women	32	31	15	15
% of women in leadership positions	27	25	3	2
Oil spills reaching the environment (t) [1]	-	-	-	-
CO_2e emissions (Mt) (Scope 1 + 2)	0.02	0.05		-
TRIR	2.73	2.02	-	-
PSIR	-	-	-	-
Voluntary social investment (thousands of €)	323	430	1,176	354

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

Asia, Russia and rest of the world

Main figures	2020	2019
Net developed acreage (km²)	1,738	1,738
Net undeveloped acreage (km²)	87,116	94,749
Net development acreage (km²)	2,362	2,454
Net exploration acreage (km²)	86,492	94,032
Net proven reserves (Mbep)	82	109

Countries	Main assets (1)	% Repsol	P/D/E (2)	L/G (2)	Description
Russia	SNO	49.00%	P / D	L	Various assets located in the Volga-Urales basin
Russia	TNO	48.79%	P	L	Various assets located in the Volga-Urales 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 2020 consolidated Financial Statements
(2) P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

Significant agreement reached with Petrovietnam, new CO_2 storage project in Indonesia and approval of development of Kaliberau in Indonesia.

86,492 km²

net exploration acreage

82 Mboe

net proven reserves

25 Mboe

total hydrocarbon production

Operations performance	2020	2019
Liquids production (Mbbl)	9	9
Gas production (Bcf)	90	98
Total hydrocarbon production (Mboe)	25	27
Crude oil realization price ($/bbl)	38.8	61.2
Gas realization price ($/kscf)	5.3	6.5
Oil production wells	669	668
Gas production wells	61	70
Development wells completed:	**13**	**56**
Positives	12	50
Negatives	1	-
Under evaluation	-	6
Completed and ongoing exploration wells (1):	-	**4**
Positives	-	3
Negatives	-	1
Under evaluation	-	-
Ongoing	-	-

(1) Does not include appraisal wells: 1 in progress in 2020 and no activity in 2019.

Main events of the period

- Vietnam: Agreement with PetroVietnam

In June, Repsol signed an agreement with PetroVietnam whereby it would transfer to this company its 51.75% stake in Block 07/03 PSC and 40% in Blocks 135-136/03 PSC. *For further information, see Note 14 of the 2020 consolidated Financial Statements.*

- Indonesia: sale of 27% of the South East Jambi block, new acreage, new CO_2 storage project and approval of the Kaliberau Dalam development

In February, the Company announced the sale of 27% of the South East Jambi onshore block to Pertamina Hulu Energy (subsidiary of state-owned company Pertamina). Despite the deal, Repsol will remain the operator of the block, with a 40% stake.

Repsol has acquired the new Aru exploration block in the Biak offshore basin, with a stake of 100%.

In October, the GCS (Geological Carbon Storage) project was launched in Sakakemang. The project is aligned with our commitment to achieve zero net emissions by 2050. For Repsol, this is a pioneering initiative in carbon capture and storage, comparable in size to others worldwide. We expect to capture 2 million tons (Mtn) of carbon annually, to total 30 Mtn over the life of the project, starting in 2026 and ending in 2040.

The development plan for the Kaliberau field at Sakakemang has recently been approved by the Indonesian government. The Sakakemang area, operated by Repsol, is located in Musi Banyuasin in southern Sumatra province. Development Plan I for the Kaliberau field aims to produce gas reserves of 445.10 BSCF (billions of standard cubic feet), gross.

- Papua New Guinea: no further activity in the country

Repsol sold the stake it held in seven onshore blocks in Papua New Guinea to the Australian company Arran Energy Pty Ltd. Following the deal, Repsol has no further activity in the country.

- Russia: new production wells at TNO and new acreage

In March and May, two new wells were put into production at the TNO asset.

In May, Repsol notified Shell and Gazprom Neft of its decision to exit the alliance to explore 2 oil blocks in the Gydan Peninsula in Siberia. The decision arises from Repsol's Resilience Plan to face the new scenarios of low prices and decreased demand for hydrocarbons worldwide.

The Sablerskiy exploration block was acquired as part of the AROG Joint Venture, with a 49% stake.

Sustainability performance	2020	2019
No. of employees	532	610
% of women	34	33
% of women in leadership positions	21	18
Oil spills reaching the environment (t) (1)	-	0.57
CO_2e emissions (Mt) (Scope 1 + 2)	7.4	8.6
TRIR	0.73	1.03
PSIR	0.84	-
Voluntary social investment (thousands of €)	550	1.335

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

7.2. Industrial

1,013 kbbl/d
refining capacity

9,882
employees

Our activities

- **Refining:** obtaining fuels, combustible materials and other petroleum derivative products.
- **Chemicals**: production and marketing of a wide range of products. Includes base 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.
- **Wholesale & Gas Trading:** LNG/natural gas supply and trading, including LNG regasification and commercialization to wholesale customers in North America and Spain.

Main operating figures	2020	2019
Refining capacity (kbbl/d)	**1,013**	**1,013**
Europe	896	896
Rest of the world	117	117
Conversion rate in Spain (%)	**63**	**63**
Conversion utilization Spanish refinery (%)	**86**	**103**
Distillation utilization Spanish refinery (%)	**74**	**88**
Crude oil processed (millions of t)	**35.9**	**44.0**
Europe	33.1	39.6
Rest of the world	2.8	4.4
Refining margin indicator ($/Bbl)		
Spain	2.2	5.0
Peru	8.6	6.2
Petrochemical production capacity (kt)		
Base	2,603	2,603
Derivatives	2,235	2,235
Sales of petrochemical products (kt)	**2,729**	**2,787**
Gas sales in North America (Tbtu)	**717**	**608**

Our performance in 2020

Million euros	2020	2019	Δ
Operating income	369	1,189	820
Income tax	(74)	(262)	188
Investees and non-controlling interests	2	(14)	(12)
Adjusted Net Income	**297**	**913**	**(616)**
Inventory effect	(961)	(28)	(933)
Special Items	(22)	(53)	31
Net income	**(686)**	**832**	**(1,518)**
Effective tax rate (%)	20	22	(2)
EBITDA	**(161)**	**1,997**	**(2,158)**
Investments	**565**	**885**	**(320)**

Sustainability performance	2020	2019
No. of employees	9,882	10,124
% of women	30	36
% of women in leadership positions	27	24

Main events of the period

The year was shaped by the COVID-19 pandemic and its impact on global demand and the gradual decline of Refining margins. At the Industrial businesses, production, logistics and commercial patterns were adjusted to keep industrial complex utilization levels above international averages. The slump in demand also meant a drop in activity in Trading (chartered vessels and time-charter voyages), while in Wholesale & Gas Trading, the value of the gas and LNG portfolio was optimized through swap contracts with third parties, volume cancellations, logistical optimizations and trading within the gas system and in the international market, while expanding the portfolio of customers and destinations.

2021-2025 Strategic Plan

	Refining	Chemicals	Trading
Returns Cash generation in a complex environment	• Net cash margin in the first quarter Solomon and Wood Mackenzie • **Preferred position** • Improved competitiveness and operating performance	• Differentiation with high value products • Growth in new opportunities • **Flexibility in raw materials** 60% of liquefied petroleum gas in crackers vs. 25% average for the European Union	• Maximizing integration and value of assets • Growth in key products and markets
Digitalization Industry 4.0. with a boost to integration and improved decision making	• Optimization of units through automation and the use of real-time data • Improved asset availability to maximize performance and optimize maintenance costs (-5% by 2025) • **Integration of supply chain management** through planning models based on artificial intelligence and machine learning • Use of smart energy optimizers to reduce consumption and greenhouse gas emissions (-0.1 Mt CO_2)		
New platforms	• Leadership in new **low-carbon businesses** (hydrogen, waste revaluation, etc.).	• **Circular economy platforms** (recycling and chemicals from waste)	• **Growth in low-carbon business** (biogas/biofuels, CO_2, etc.)

7.2.1. Refining

Assets

The Repsol Group owns and operates six refineries: five refineries in Spain (Cartagena, A Coruña, Bilbao, Puertollano and Tarragona), with a total distillation capacity of 896 thousand barrels oil per day (including the stake in Asfaltos Españoles S.A. in Tarragona), and one refinery in Peru, where Repsol owns a 92.42% stake, with an installed capacity of 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	-
Repsol Total (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) Defined as the ratio between the equivalent capacity of Fluid Catalytic Cracking ("FCC") and primary distillation capacity.

Performance: lower activity, but maintaining the supply and developing of state-of-theart decarbonization projects.

During the COVID-19 crisis, utilization of the refining system has fallen short of the levels reported in 2019 but is above the world and European average, illustrating its competitive strength. The Company's refineries have been effective at throttling production to prevailing market needs and have shown great flexibility in terms of logistics and storage, allowing the continuous supply of essential products.

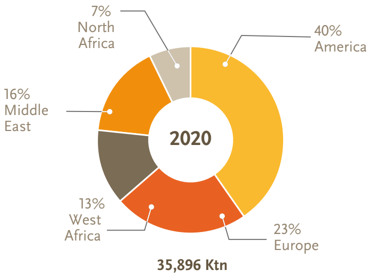
Despite the drop in international demand and low production margins throughout 2020, activity continued at all the Industrial Complexes, showing that Repsol's refineries have a highly competitive scheme and are able to adapt to the energy landscape. This ability to adapt enabled some Industrial Complex units to be temporarily halted during periods of lower margins -mainly some of the crude oil distillation units- and to continue higher-margin processes, such as deep conversion units (hydrocrackers and cokers).

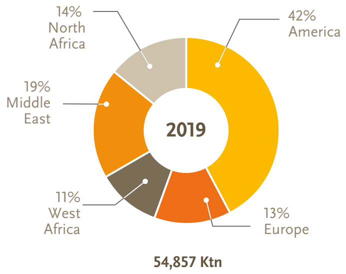
In this international context of low margins due to a non-structural decline in demand, in 2020 the refining margin indicator in Spain stood at 2.2 dollars per barrel, down from the margin in 2019 (5.0 dollars per barrel). In Peru, the refining margin indicator stood at 8.6 dollars per barrel, compared to 6.2 dollars per barrel in 2019, as a result of the efficiencies achieved in crude oil procurement, production of low-sulfur fuel oil and price mechanisms in the country.

2.2$/bbl
refining margin indicator in Spain

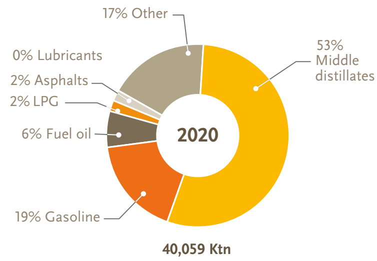
Announcement of new projects at Cartagena and Petronor to reduce greenhouse gas emissions.

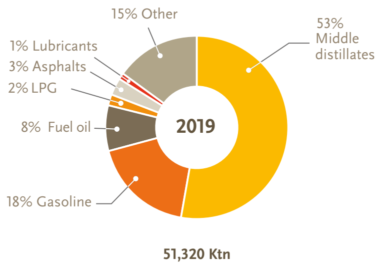
Source of crude oil processed





Refining production





Against a background of severe drops in demand, the Group's refineries in Spain processed 33.1 million metric tons of crude oil, down 16% on 2019, and their average use of distillation was 74% in Spain compared with 88% the previous year. In Peru, the level of use was lower than in 2019, falling from 75% to 65% in 2020.

Despite the tough energy landscape, Repsol launched the development of several major projects in Spain to cut greenhouse gas emissions and achieve the goal of becoming a net-zero emissions company by 2050. The project at the most advanced stage of development, which has already passed the final phase of approval, is the construction in Cartagena of an industrial facility to generate 250 kt per year of advanced HVO from waste, which will be up and running by 2023. In addition, within the production line for synthetic fuels with zero carbon emissions, two projects stand out. The first project entails the construction of one of the world's largest synthetic fuel production plants, which will utilize CO_2 and green hydrogen generated from water using renewable energy. The second is a circular economy project, involving construction of a plant for generating fuel gas from urban waste. Its production will replace part of the consumption of traditional fuels used in Petronor's production process, thus reducing the carbon footprint of all fuels generated at the refinery.

(Thousand tons)

Processed raw material	2020	2019
Crude oil	36,056	39,735
Other raw materials	7,386	12,441
Total	**43,442**	**52,176**

Sustainability performance	2020	2019
Oil spills (>1 bbl) reaching the environment (t)	1.53	3.24
CO_2e emissions (Mt) (Scope 1 + 2)	7.67	8.72
TRIR	1.20	1.90
PSIR	0.31	0.45
Voluntary social investment (thousands of €)	1,366	1,636

7.2.2. Chemicals

Assets

The production of Repsol's Chemicals business is concentrated in three petrochemical complexes, located in Puertollano, Tarragona (Spain) and Sines (Portugal), 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 owns subsidiaries and affiliates through which it operates plants that manufacture polyolefin 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)
Base 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.

Performance: Developments in Circular Economy approaches and wider product differentiation

Throughout 2020, the Chemicals division was hit by the pandemic, which had an uneven effect on the segments to which chemicals are marketed: adversely affecting demand in construction and the automotive industry, but maintaining and even increasing demand in healthcare and food.

Globally, demand remained at reasonable levels. Hence factory usage in the year exceeded that of the previous year, which was impacted by the multi-year scheduled shutdown of the Tarragona complex.

In 2020, sales to third parties amounted to 2,729 million tons, in line with the 2019 figure.

Thousand tons

Sales by product	2020	2019
Base petrochemicals	817	829
Derivative petrochemicals [(1)]	1,912	1,958
Total	**2,729**	**2,787**
Sales by market	**2020**	**2019**
Europe	2,083	2,289
Rest of the world	646	498
Total	**2,729**	**2,787**

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

In terms of investments, these were mainly aimed at improving and optimizing assets, boosting efficiency, reducing costs, boosting differentiation, widening the product range, and improving quality, safety and environmental standards.

In 2020, in line with the division's focus on innovation, the highlights were:

- All the Group's petrochemical complexes were certified for production of circular polyolefins. Circular polyolefins are created by replacing part of the conventional raw material with an oil from chemical recycling of plastic waste not recyclable mechanically. ISCC PLUS certification had been awarded to Puertollano in 2019. The rest of centers joined in 2020. Repsol is the first petrochemical company to certify all its complexes.
- The product range widened with new materials for 3D printing and a full range of phthalate-free polypropylenes. This range gradually widened following Repsol's public commitment in November 2015 to eliminate phthalates from all its products. Hence, the Company is a leader of this change in the market and the transition toward products that are free of substances with specific migration rates, such as phthalate.
- Forward steps in Repsol´s range of polyolefins with high recycled content.In this product line, Repsol reached agreements with clients and recyclers to support the circular economy. These alliances help create the necessary synergies to speed up the implementation of circular solutions.
- In June, a new reactor for one of the polypropylene plants was delivered at the Tarragona Industrial Complex. The Company will use this second gas phase reactor to manufacture high-impact-resistant polypropylene for the automotive market. These product grades make vehicles lighter, improving their environmental footprint and significantly increasing the impact resistance that protects the inside of the passenger compartment, thus bolstering passenger safety.
- For the fifth consecutive year, Repsol won awards from the European association of plastic processors, winning four of the ten accolades. The Company won the Awards for Best Producer of High Density Polyethylene (HDPE), Low Density Polyethylene (LDPE), and Polypropylene (PP), and the Global Circularity Award covering all types of polymers.

Sustainability performance	2020	2019
Oil spills (>1 bbl) reaching the environment (t)	-	-
CO_2e emissions (Mt) (Scope 1 + 2)	3.30	3.36
TRIR	1.32	1.35
PSIR	-	0.14
Voluntary social investment (thousands of €)	232	265

2,729 Mt

sales of petrochemical products in 2020

18%

Increase in gas sales in North America

7.2.3. Trading

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 crude oil and product hedges in the financial derivative markets.

In 2020, a total of 1,518 vessels were chartered (1,635 in 2019) and 369 voyages were made through the Time Charter fleet (374 in 2019).

Sustainability performance

As to safety and the environment in 2020, Repsol Trading supported the technological transition with two digital projects: incident management and implementation of the new vetting process in the Downstream division.

To launch the first initiative, the ship incident and emergency management process was digitized, thus allowing for an automatic preliminary assessment of the impact of any incident reported to Repsol Trading by a chartered or proprietary ship transporting goods.

As to the second initiative, the process validates the ship by ensuring that the latest available information is reviewed with respect to safety and the environment, with the ultimate aim of reducing the number of incidents and their consequences.

In addition, the following initiatives were carried out:

- In 2020, Repsol Trading certified under the Italian National Sustainability Verification System, which has specific traceability requirements for marketing biofuels and bioliquids in the Italian market.
- Regarding circular economy initiatives, in July Repsol certified under the voluntary ISCC PLUS scheme, which allows certifies biological, circular and recycled products in markets other than energy.

7.2.4. Wholesale & Gas Trading

Assets and operations

On 31 December 2020, the Group has regasification and transport assets in its North American commercialization 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 the commercialization of regasified LNG from Canaport and natural gas acquired on the market. Repsol also 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.

Meanwhile, Wholesale & Gas Trading supplies the Repsol Group's gas demand and ensures an efficient supply, as well as commercialization and trading in the Spanish gas system and in the international LNG market.

Performance: increase in volume sold and competitive provisioning to profit from low market prices

	2020	2019
LNG regasified (TBtu) in Canaport (100%)	30	24
Gas sales in North America (TBtu)	717	608
NG and LNG commercialization in Spain and international (TBtu)	303	225

In 2020, commercial activity in the North East United States was conducted in a context characterized by low price volatility and moderate temperatures during the winter.

The slowdown in consumption in North America due to COVID-19 was offset by sharp temperature fluctuations over the summer and specific events (hurricanes, forest fires, unscheduled maintenance in the pipeline system, among others), which resulted in increased price volatility in the latter half of the year. The marketing and sales business in North America grasped these opportunities and expanded its customer-facing-business, thus increasing Canaport activity in the summer and strategically positioning itself across the rest of North America.

The LNG and natural gas marketing and trading activity carried out from Spain was impacted by the COVID-19 crisis. The drop in domestic demand was successfully countered by optimizing the gas and LNG portfolio through swap operations with third parties, volume cancellations, logistical optimizations and trading within the gas system. The unit also heavily increased its presence in the international LNG market, where sales were up thanks to a broader base of customers and destinations. A further highlight was the signing of a new long-term contract (ending 2034) for the supply of LNG for delivery in Spain.

7.3. Commercial and Renewables

3,295MW
low carbon generation capacity

8,665
employees

Our activities

- **Mobility:** marketing and sales of oil products and other products and services (SS and Direct Sales), offering a differentiated value to industries such as aviation, maritime, large industries and end consumers.
- **LPG:** production, distribution and commercialization of wholesale and retail of liquefied petroleum gas.
- **Lubricants, Asphalts and Specialized Products:** production and sale of lubricants, bases for lubricants, bitumen for asphalts, extender oils, sulfur, paraffins and propellant gases
- **Electricity and Gas:** low carbon generation and commercialization of electricity and gas in Spain, as well as development of renewable energy projects.

Main operating figures	2020	2019
Marketing own network sales (kt)	**19,039**	**24,544**
Number of service stations	**4,966**	**4,944**
Europe	4,122	4,138
Rest of the world	844	806
Sales of lubricants, asphalts and specialized products (kt)	**1,549**	**1,868**
Europe	1,100	1,405
Rest of the world	450	463
LPG Sales (kt)	**1,162**	**1,253**
Europe	1,141	1,224
Rest of the world	21	29
Electricity generation capacity (MW)	**3,295**	**2,952**
Electricity generation (GWh)	**5,940**	**6,308**

Our performance in 2020

Million euros	2020	2019	Δ
Operating income	650	738	(88)
Income tax	(157)	(185)	28
Investees and non-controlling interests	(8)	(12)	4
Adjusted Net Income	**485**	**541**	**(56)**
Inventory effect	(17)	(7)	(10)
Special Items	(8)	(59)	51
Net income	**460**	**476**	**(16)**
Effective tax rate (%)	24	25	(1)
EBITDA	**970**	**1,059**	**(89)**
Investments	**739**	**491**	**248**

Sustainability performance	2020	2019
No. of employees	8,665	9,134
% of women	44	49
% of women in leadership positions	28	26

Main events of the period

While the pandemic had a significant impact on demand for oil products (mainly fuels and kerosene) as a result of the mobility measures and the decline in economic activity, the commercial businesses were able to meet the energy and mobility needs of their customers. Service stations, which have remained operational despite the challenging environment, have focused their strategy towards products with higher added value and implemented cost optimization measures. The LPG business continues its international expansion in France and, in Spain, begins selling products in the Canary Islands. The Lubricant business improved their results compared to previous year thanks to the consolidation of its manufacturing hubs in Mexico, Indonesia and Singapore, the active commercial management and cost optimization. Meanwhile, the Electricity and Gas business promoted its range of customer-focused multi-energy products and services, highlighting the launch of a new 100% renewable self-consumption service ("Solmatch"). In addition, the customer portfolio increased (1.13 million customers), further progress was made in developing and commissioning various renewable projects in Spain and an agreement was reached to expand the use of renewable energies in Chile.

Drop in sales due to mobility restriction measures and lower activity

7.3.1. Mobility

Assets

At December 31, 2020, Repsol had 4,966 service stations, with the following geographical distribution:

Country	No. of points of sale
Spain	3,331
Portugal	496
Italy	295
Mexico	255
Peru	589
Total	**4,966**

Performance: lower activity, but maintaining supply and initiatives to help citizens.

Repsol's challenge is to continue leading the sector in Spain, offering the best service to its customers. The strength of the business model was demonstrated throughout its operations, despite the decrease in demand for fuels as a result of mobility restrictions and the overall decline in economic activity.

- At Service Stations, fuel sales fell by 23% compared to 2019, while Direct Sales declined to a lesser extent.
- In Aviation, the collapse in demand for kerosene drove down product sales by approximately 62%.
- In international mobility (Peru, Portugal, Italy and Mexico), por Service Stations and Direct Sales alike experienced similar changes.

To mitigate the impact, Repsol implemented cost optimization measures with a focus on products with higher added value, while maintaining the core premise of continuing to provide service to its customers even in this situation.

Additionally, in 2020, the following initiatives are to be highlighted:

- Since the onset of the crisis in March 2020, most Repsol´s Service Stations remained operational to ensure supply, while adapting safety and customer service protocols accordingly. Meanwhile, the Direct Sales network, fishing ports and airport facilities remained fully operational.
- During the stricter lockdown periods, a special service for transporters has been set up at the Service Stations to give them everything they need to rest, eat, wash and continue their onward journey in optimum safety conditions. Service stations in Spain offered free coffee and buns for transporters, emergency services, health care workers, armed forces and the police force.
- At the onset of the pandemic, services were put in place to enable customers to obtain basic products:
  - *Call Collect* : orders could be placed over the phone and then collected in store.
  - Agreement with Deliveroo (food delivery company) to facilitate and speed up the supply of staple products during the crisis through the Repsol´s Service Stations.
- These initiatives crystallized as "Tienda Repsol," a solution for making purchases through Waylet, where orders can be picked up at Service Stations or home-delivered.
- In Sestao, Repsol opened the first natural gas station in Bizkaia province with a continuous supply of Compressed Natural Gas, used in light vehicles and some heavy vehicles like buses and short/medium haul service or transport trucks. The investment was made in partnership with Nortegas and the Basque Energy Agency.

Sustainability performance	2020	2019
Oil spills(>1 bbl) reaching the environment (t)	2.38	63.73
CO_2e emissions (Mt) (Scope 1 + 2)	0.03	0.04
TRIR	0.62	0.66
% of contracts with human rights, environmental and anti-corruption clauses	100	100
Voluntary social investment (thousands of €)	14	-

7.3.2 LPG

Assets and operations

Repsol is one of the leading retail distributors of LPG[1], ranking first in Spain and maintaining top positions in Portugal (third largest operator).

1. In Spain, prices continue to be regulated for piped LPG and LPG bottles of between 8 and 20 kg with a tare weight above 9 kg, excluding bottled mixtures for using LPG as fuel. For further information on the applicable legal framework in Spain, *see Appendix III of the 2020 consolidated Financial Statements.*

Thousand tons

LPG sales by geographical area	2020	2019
Europe	**1,141**	**1,224**
Spain	1,053	1,126
Portugal	88	98
France	0	0
Latin America	**21**	**29**
Peru (AutoGas)	21	29
TOTAL	**1,162**	**1,253**

In Spain, Repsol distributes bottled LPG, bulk LPG and AutoGas, with around 4 million active customers. In Portugal, Repsol distributes bottled LPG, bulk LPG and AutoGas to end customer and supplies other operators.

Thousand tons

LPG sales by product	2020	2019
Bottled	625	650
Bulk, piped and others [1]	537	603
TOTAL	**1,162**	**1,253**

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

Performance: maintenance of supply and new integrated solutions

The following initiatives were undertaken in the context of the health crisis:

- Thousands of customers have now enjoyed the benefits of buying butane gas bottles online and new forms of payment have been introduced to provide a more agile and flexible relationship.
- During lockdown, 13 LPG facilities in Spain and Portugal remained operational with 100% uptime and even opened on public holidays to ensure supply. Repsol has also guaranteed home delivery and the availability of bottled gas at points of sale.
- Portugal has decreed a maximum price (between April 20 and May 2) for traditional bottles of butane (22 euros for the 13 kg bottle) and propane, except for bottles K-6 and K-11. In Spain, prices for regulated LPG have been limited for three two-month periods.
- Repsol continue driving geographic growth, including in the French market. In May, Repsol started the commercialization in the Canary Islands with new tracking requirements.
- In 2020,Repsol drove forward a customer-focused multi-energy strategy by creating products that cross-sell LPG with other energies.
- In Portugal Repsol replaced all bottles. In addition, Repsol reached an agreement with Continente hypermarkets to sell bottles directly out of their stores.
- In July and September, audits were conducted for the renewal of ISO 45001:18, ISO 14001:15 and ISO 9001:15.
- Repsol made available to our LPG customers a new voluntary service that helps offset carbon emissions from their ordinary activities. The project contributes to the overall goal of becoming a zero net emissions company by 2050, and reinforces the vision of LPG as efficient and sustainable energy.
- Repsol factories are certified by the Spanish National Commision on Markets and Competition to ensure that their energy comes from renewable sources.

Sustainability performance	2020	2019
Oil spills (>1 bbl) reaching the environment (t)	-	-
CO_2e emissions (Mt) (Scope 1 + 2)	0.01	0.01
TRIR	1.86	2.43
PSIR	1.03	1.64
% of contracts with human rights, environmental and anti-corruption clauses	100	100

7.3.3. Lubricants, Asphalts, and Specialized Products

Assets and operations

Production is mainly concentrated in Spain, although in the case of Lubricants there are two additional manufacturing hubs: Mexico, through the joint venture with *Bardahl*, which covers the Americas, and Indonesia and Singapore, through the joint venture with *United Oil*, which covers South East Asia. Both cover areas where the lubricants market is expected to grow the most on average over the coming years.

The commercial division has a strong international presence, with deliveries in more than 97 countries around the world.

Performance

The coronavirus pandemic affected the demand across all lines of business, with a sharp fall in the second quarter (>30%). A partial recovery was seen in the following months, albeit with differences by geography. However, active commercial management and cost optimization measures enabled to significantly exceed the results of the previous year. Meanwhile, intensive monitoring of working capital, with a focus on early management

LPG

Efforts to drive geographical growth in France and the Canary Islands

Lubricants, Asphalts, and Specialized Products:

international sales in 97 countries

of customer debt and optimization of inventories substantially improved operating cash flows.

Sales in the period by geographical destination are presented below.

Thousand tons

Country	Lubricants	Asphalts	Specialized products (1)	Total 2020	Total 2019
Spain	71	353	299	723	985
Europe	21	184	172	377	434
Africa	2	24	294	319	246
Americas	47	-	11	58	70
Asia and Oceania	53	-	19	72	147
Sales to Traders	-	-	-	-	76
Total	**193**	**561**	**795**	**1.549**	**1.868**

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

Further highlights of 2020 included:

- Following the acquisition of a 40% stake in United Oil Company in December 2019 (plants in Indonesia and Singapore), the Group started to manufacture and distribute its first Repsol brand products in South East Asia, designed under the proprietary formula but adapted to meet local base and additive requirements to the highest standards of quality. This allows Repsol to continue with the planned expansion of our lubricants in the region.
- Repsol continued to invest in digital tools with a focus on improving customer service. Deliveries are now tracked by an online system (land transport) and an international portal was rolled out for the capture of customer orders and pricing systems in lubricants on an international scale.

Sustainability performance	2020	2019
Oil spills (>1 bbl) reaching the environment (t)	-	-
CO_2e (Mt) emissions (*Scope* 1 + 2)	0.01	0.01
TRIR	0.89	0.44
% of contracts with human rights, environmental and anti-corruption clauses	100	100

5,940 GWh

electricity production in 2020

7.3.4. Electricity and Gas

In 2018, Repsol started 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. In the new strategic approach, the low-emission generation business is one of the four pillars of the new 21-25 Strategic Plan (*see Section 3. New Strategic Plan*). Gas and electricity trading will be integrated into the multi-energy offering of a customer-centered business.

Electricity generation

Assets

Repsol is a major player in the Spanish electricity generation market. Overall, the Company has a total installed capacity **in operation** of 3,295 MW and capacity under development of 2,639 MW as at December 31, 2020.

Hydroelectric and pumping plants (1)	Installed capacity (MW)
Oviedo – Navia	193
Picos de Europa – Picos	113
Aguilar – Aguayo Aguilar	386
Total	**693**
Combined cycle plants	
Zaragoza – Escatrón	804
Algeciras – Bahía de Algeciras	821
Total	**1,625**
Cogeneration plants	**600**
Renewable (onshore and offshore wind)	**377**
Installed electricity generation capacity (2)	**3,295**
Wind projects	1,294
Photovoltaic solar projects	1,345
Electricity generation capacity under development (2)	**2,639**

(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) Includes the capacity pertaining to Repsol's stake in the joint venture with the Ibereólica Renovables Group in Chile.

Repsol operates hydro power stations with an installed capacity of 693 MW, located in the north of Spain and with great potential for organic growth. In June of this year, a favorable Environmental Impact Statement was obtained (subject to conditions) to expand the capacity of the current Aguayo facility located in San Miguel de Aguayo in Cantabria. The project will involve the construction, lasting four to five years, of a second reversible plant (Aguayo II) to harness the already existing lower and upper reservoirs, with the aim of adding a further four generators, each of 250 MW, to bring the total installed capacity to 1,361 MW.

Furthermore, the division has two gas combined cycle plants, in Algeciras (Cadiz) and Escatrón (Zaragoza), with a combined capacity of 1,625 MW, and cogeneration plants located in the Group's industrial complexes in Tarragona, Santander and Cartagena within its Chemical and Refining activity, with a combined capacity of 600 MW.

In 2020, the Delta project came online. It consists of eight wind farms located in Aragon, with a total of 89 wind turbines with 335 megawatts (MW) of installed capacity. It will produce 992 gigawatt per hour (GWh) annually, the equivalent to the average annual consumption of 300,000 homes, and will avoid the emission of one million tons of carbon into the atmosphere per year. Repsol is also involved in the Windfloat Atlantic floating wind farm off the north coast of Portugal, with a total installed capacity of 25 MW (3.4 MW within Repsol's share) and now fully operational.

The renewable projects that Repsol is **developing** in Spain include the PI wind project that straddles the boundaries of Palencia and Valladolid. It will have a total installed capacity of 175 MW. Another photovoltaic plant will come online in Cadiz (Sigma), with 204 MW. In 2020:

- the construction began of its first photovoltaic farm, Kappa, which will have a total installed capacity of 126 MW, in Ciudad Real, and of Valdesolar in Badajoz, with 264 MW.
- the Delta 2 renewable project was acquired with an installed capacity of 859 MW. It will be built and operated by Repsol, and will be developed over the next three years. The farms will be located in Aragon.

The Company drove forward its **international expansion** by reaching a deal in October 2020 with the Ibereólica Renovables Group, thus providing access to a portfolio of projects in Chile that Ibereólica has in operation, construction or development, totaling more than 1,600 MW through to 2025 and the possibility of exceeding 2,600 MW by 2030. The initially planned investment amounts to some 192 million US dollars.

Under the new Strategic Plan, Repsol will continue to increase its asset portfolio and its international expansion, with the aim of becoming a global operator with a generation capacity that will reach 7.5 gigawatts (GW) by 2025 and 15 GW by 2030.

Performance

In 2020, electricity production, excluding cogeneration plants, amounted to 5,940 GWh, compared to 6,308 GWh in 2019. The decline in industrial demand and prevailing market conditions drove down levels of production at the combined cycle plants. Lower water availability in our basins reduced conventional hydro production during the period, though partially offset by higher pumping output due to increased price volatility.

Electricity and gas commercialization

Repsol has an attractive commercial and service offer that includes leading-edge digital solutions, electricity certified as 100% low-emission, exclusive advantages for customers and discounts on our network of service stations.

Repsol sells electricity and gas in the retail sector with a base of 1.1 million customers (12% more than in 2019, a share of more than 3% of the market) distributed throughout Spain. In 2020, to enhance the customer experience and provide integrated energy solutions, customers were offered a solution that combines the supply of electricity, a basic energy management service, the supply of LPG and the option to install a self-consumption solution, such as Solify and Solmatch, the first large solar power community in Spain. In April, Repsol launched the second of these, Solmatch, a product that supports distributed generation and consumption of local, 100% renewable energy through installation of solar panels on the roofs of buildings. Connections become available to homes located up to 500 meters away.

Also in 2020, Repsol was the first of the large electricity and gas retailers to be awarded the low emissions A label.

3%

retail market share of electricity and gas in Spain

Sustainability performance	2020	2019
CO_2e (Mt) emissions (*Scope* 1 + 2)	1.96	2.1
TRIR	1.45	-
Voluntary social investment (thousands of €)	1	-

Repsol's electricity generation assets and projects

8. Sustainability

Sustainability Model

Repsol's Sustainability Policy sets a goal of meeting the growing demand for energy and products, while optimizing the Company's contribution to sustainable development. The Company's business practices seek to create both short-and long-term value by maximizing positive impacts and minimizing negative impacts on society and the environment across the entire value chain, achieved through ethical and transparent behavior. This policy is implemented through a range of internal rules and procedures organized around the Repsol Sustainability Model. This model is structured into the following six axes, which relate to material issues due to the type of Company that Repsol is and the expectations of its stakeholders and leading international standards: climate change, environment, innovation and technology, safe operation, people and ethics and transparency.

Each year this framework is embodied in Repsol's Sustainability Plans. In 2020, Repsol produced its new Global Sustainability Plan (GSP), which sets out the key targets of the Company's strategic plan in the field of Sustainability. The 2020 GSP envisions 39 medium-term objectives built around the six axes of the Sustainability Model and aimed at the Company's businesses, suppliers, customers and employees, as well as society in general. These objectives include, most notably, Repsol's desire to become a net-zero emissions Company by 2050. The Global Sustainability Plan is also fully aligned with the 2030 Agenda of the United Nations and its 17 Sustainable Development Goals (SDGs).

Based on the Global Sustainability Plan, Local Plans are rolled out for each country and operational hub, incorporating commitments related to the local context and thus contributing to all the Sustainable Development Goals. In 2020, Repsol had a total of 20 Local Plans in place, 14 across its countries (Algeria, Bolivia, Brazil, Canada, Colombia, Ecuador, United States, Indonesia, Malaysia, Mexico, Norway, Peru, United Kingdom, Venezuela) and six at its industrial facilities (Bilbao-Petronor, Cartagena, Coruña, Puertollano, Tarragona and Sines).

Since 2014, the Local Sustainability Plans have led to the implementation of over 2,000 initiatives aimed at creating value in the short and medium run, in line with our Sustainability Policy.

Further information on the global and local sustainability plans can be found at www.repsol.com.

Repsol and the Sustainable Development Goals

Repsol supports the 2030 Agenda of the United Nations and contributes toward its 17 Sustainable Development Goals (SDGs), especially SDG 7, SDG 8 and SDG 13, due to its role in providing access to energy and its contribution to social and economic development and to combat climate change; SDG 6, SDG 9 and SDG 12, where it prioritizes innovation, sustainable management and the efficient use of resources in its operations; and SDG 17, due to its alliances with other stakeholders and as an active member of industry associations such as IPIECA, OGCI, IOGP, CONCAWE, FUELS EUROPE, CEFIC, the Global Compact and EITI.

In 2019, Repsol defined a two-year SDG boosting plan to make engagement and dissemination part of the Company's culture on the path to maximizing its contribution to this global agenda. More than 80 initiatives have been carried out under this Support Plan.

En 2020, Repsol published its first SDG Report for 2019, as a clear example of the Company's pledge to supporting the 2030 Agenda. A second report is being published this year to explain this contribution through more than 30 indicators, as well as various challenges and objectives that show the efforts being made across the Company, both globally and locally, to achieve, together with our other stakeholders, solutions to the social challenges now facing the Company. The *SDG Reports* are available at www.repsol.com.

In June 2020, online training was set up via an educational platform to enable employees to discover what the 2030 Agenda is all about through training pills on each of the 17 SDGs, and to find out how the Company is contributing toward these objectives. This training has been designed to be accessible for people with disabilities. Upward of 1,756 employees had already received training by the end of the year.

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

Repsol and the Sustainable Development Goals

Decent work and economic growth

+24,000 employees

527 differently-abled

3,847 telecommuters

37% women

79 nationalities

4,864 suppliers, of which **78% are local**

20.81 M€ voluntary social investment in **401 projects**

2,007 evaluations of social aspects on **1,056 suppliers**

9,180 M€ paid in taxes

Affordable and clean energy

1.13 millions electricity customers

+475 M€ renewables investment

3,295 MW total low-emissions installed capacity

Climate action

444 kt reduction in CO2e in 2020

Objective **0** net emissions by 2050

5% reduction in ICC compared to 2016 baseline

Clean water and sanitation

62% increase in water reused vs. 2015

21% water reused of total water consumed[1]

Responsible production and consumption

+220 initiatives included in the circular economy catalog

Reused waste: **5%** hazardous | **1%** non-hazardous

Recycled waste: **19%** hazardous | **18%** non-hazardous

Recovered waste: **26%** hazardous | **14%** non-hazardous

Industry, innovation and infrastructure

+250 digital initiatives

11 new patents

70 M€ R&D investment

(1) The Electricity and Gas business is not taken into account, since different water uses are classified differently.

Sustainability Decarbonization Goals:

Up to 40% of the 2020-2023 Long-Term Variable Remuneration Incentive Plan

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 2020, the committee held a total of four meetings and addressed the following matters, among others:

- Accident rate scorecard
- Company Sustainability Goals (year-end 2019 and 2020 Plan)
- Monitoring of the 2020 Sustainability Objectives
- Global Sustainability Plan (year-end 2019 and 2020 Plan)
- Information on sustainability for 2019 (Integrated Management Report)
- Results of the Carbon Disclosure Project (CDP)
- Sustainability Round Table with labor union representatives
- Assessment of Repsol's stance on climate policies and the position of the trade associations to which it belongs
- Progress on projects and activities relating to Community Relations and Human Rights
- Progress made on the Safety Culture
- Progress made toward the Climate Change strategy
- Progress on Strategic Safety and Environment (SEN) projects
- Materiality analysis – 2020
- Progress on the plan to promote the Sustainable Development Goals (SDGs)
- ESG performance
- Accident rate benchmark
- Progress toward the Circular Economy
- Progress in Natural Capital and Biodiversity

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.

Thanks to the commitments acquired by Repsol and its responsible management approach, the Company ranks highly within its sector in the ESG performance assessments conducted by the most renowned rating agencies operating within the market (MSCI, Vigeo, Sustainalytics, CDP, etc.).

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. After six straight years of holding this event, Sustainability Day could not be held during the year due to the ongoing pandemic. However, in November 2020 Repsol unveiled its 2021-2025 Strategic Plan and staged a roadshow afterwards to provide information about the keys to the Company's transformation in order to meet the objectives set.

As to ethics and transparency, the Audit and Control Committee attached to the Board and the Ethics and Compliance Committee are responsible for ensuring compliance with the Code of Ethics and Conduct and for reviewing 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 and Decarbonization objectives entailed, in 2020, up to 25% of the CEO's annual variable remuneration and up to 40% of the 2020-2023 Long-Term Incentive Program applicable to all management personnel, as well as other employees, including the CEO.

8.1. Climate change[1,2,3]

Climate change roadmap

	RISKS AND OPPORTUNITIES	STRATEGY	OBJECTIVES
2020-2030	• The Group's rapid positioning and the definition of its long-term climate strategy are transforming the risks of the energy transition into opportunities and giving the Group an advantage over its competitors.	• Improve the energy efficiency f operations. • Production and incorporation of low-carbon fuels: advanced biofuels, biogas and synthetic fuels. • Production and incorporation of renewable H2. • Transformation of the E&P portfolio towards a lower carbon intensity. • Development of sustainable mobility projects with lower CO2 emissions. • Low-carbon businesses: renewable electricity generation and the sale of gas and electricity. • Setting an internal carbon price of $40/ton CO2e in 2025. • Internal analysis to classify investments compatible with the Paris Agreement. • Review of Repsol's participation in industry initiatives and associations: Climate Change. • Monitoring and execution of R&D projects and demonstration of emerging technologies (Hydrogen).	• 12% reduction in 2025 and 25% reduction in 2030 of the CII (Carbon Intensity Indicator). • Scope 1 and 2 emissions reduction plan with a target of 1.5 Mt CO2e for the 2021-2025 period. • Reach tier 1 in terms of CO2e/boe in E&P operations by 2025. • 25% reduction in methane emissions intensity by 2025 and reach a value of 0.2% by 2030. • Mitigate routine E&P flaring by 50% by 2025 and minimize by 2030 in line with the World Bank's Zero Routine Flaring by 2030 initiative. • Sustainable biofuels production capacity of 1.3 Mt by 2025 and 2 Mt by 2030. • Renewable hydr ogen generation capacity of 0.4 GWeq 2025 and 1.2 GWeq in 2030. • Recycle the equivalent of 20% of polyolefin production by 2030. • Low-carbon power generation capacity: 7.5 GW in 2025 and 15 GW in 2030. • 5.5 B€ investment in low-carbon businesses in the 2021-2025 period.
2030-2050	• Changes in the basket of primary energy sources towards other less carbon-intense sources, which involve a reduction in the use of hydrocarbons. • Changes in energy end-uses leading to a reduction in demand for sold products. • Regulatory changes that affect operations and/or future investments. • Inefficient or late adoption of new practices, processes, or novel or less mature technologies. • Changes that promote efficiency in the use of natural resources, including the reduction, reuse and recycling of non-energy products. • Potential difficulty or limitation of the Group to raise funds. • Harm to the reputation of the Company and/or the industry.	• Development and further extension of low-carbon fuels (e.g., e-fuels and hydrogen) and electrification. • Further development of Carbon Capture and Storage (CCS) (both conventional and emerging technologies such as direct air carbon capture and storage (DACCS) and bioenergy with carbon capture and storage (BECCS)). • Natural carbon sinks.	• 50% reduction in CII by 2040.
2050	**NET ZERO EMISSIONS**		

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

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

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 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 and at www.repsol.com).

Climate change governance

Board of Directors [1]

- Chief Executive Officer (CEO) and Executive Committee (EC) [2]
  - EMD Energy Transition, Sustainability and Technology & Deputy CEO [6]
    - Technology and Corporate Venturing Division [8]
    - Sustainability Division [9]
  - EMD Chief Financial Officer (CFO) [7]
    - Strategy and Business Performance Division [11]
  - Businesses [12]
- Sustainability Committee [3]
- Audit and Control Committee [4]
  - Audit, Control and Risks Division [10]
- Compensation Committee [5]

(1) Approves the decarbonization strategy and climate change policy.

(2) Propose the climate change strategy and objectives. Supervise implementation of the strategy and periodically review GHG emissions and the carbon intensity indicator and the fullfilment of climate change mitigation targets.

(3) Supervises and periodically monitors the decarbonization roadmap and compliance with related plans, as well as emerging risks relating to 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 attainment of energy and climate change targets.

(6) Coordinates and develops with all business and corporate functions the climate change strategy, the proposal of targets and the monitoring of action plans.

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

(8) Steers the process of prospecting decarbonization technologies that will help fulfil the Company's energy transition strategy and carries out related R&D activities.

(9) Analyzes future climate scenarios for pursuing the decarbonization strategy and provides technical support to the businesses to ensure the sound deployment of the strategy. Develops and monitors short-, medium- and long-term targets and goals linked to the decarbonization strategy.

(10) The Risks Unit is tasked with governing and coordinating the process of identifying and assessing the climate change risks to which the Company is exposed in the short, medium and long term, by lending its support to the Audit, Control and Risks Committee on matters that fall within its remit.

(11) Draws up the strategy for steering the Company through the energy transition.

(12) Responsible for implementing the climate change strategy.

8.1.1. Governance

In November 2020, the Board of Directors approved the new 2021-2025 Strategic Plan, which features the long-term decarbonization roadmap that will ultimately make Repsol a net zero emissions company by 2050 (*see Section 3 – Strategic Plan*). In addition, every quarter the Board of Directors monitors compliance with the objectives envisioned in the Strategic Plan, analyzing, among other matters, the indicators related to Sustainability and the Energy Transition. Meanwhile, the Executive Committee (EC) is directly responsible for managing matters related to climate change, making strategic decisions and plotting courses of action. The EC approves annual greenhouse gas (GHG) emission reduction targets and, together with the Sustainability Committee, periodically reviews information on the implementation of the Climate Change Strategy and the management of and trend in GHG emissions.

The general business departments and divisions involved in climate change governance rely on the advice of specialized teams dedicated to climate-related issues. More than 60 full-time employees work on climate and energy issues within the organization, distributed across various corporate functions (sustainability, legal, risk management, strategy, technology, investor relations, communication, institutional relations, etc.), and at the business units. These employees provide advice on issues related to energy efficiency, Scope 3 emissions management, or low-carbon energy generation, among other drivers of the energy transition.

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

- Of these objectives, which are pursued across the entire company in the short term, 20% target sustainability commitments, which focus on the reduction of CO_2 emissions and compliance with accident rate reduction goals.
- Repsol also has a long-term incentive in place for the 2020-2023 horizon, 30% linked to the fulfilment of the company's carbon intensity indicator (CII) reduction pathway and 10% attainment of its renewable generation targets. The aim is to help ensure compliance with the Paris Agreement by bringing about a progressive decarbonization of the Company in a bid to become a net zero emissions company by 2050. This long-term variable remuneration applies to managers and leaders, including the CEO and members of Senior Management.

8.1.2. Risks and opportunities

Risks relating to the phenomenon of climate change are subject to growing levels of uncertainty in the medium and long run. Over the next five years, approximately 10% of the Group's risks subject to analysis will be closely related to climate change.

Repsol's process for identifying and assessing the risks associated with long-term climate change is based on a proprietary analysis methodology that follows the medium-term risk analysis approach envisioned in the Enterprise Risk Management System (*see Section 10. Risks* and *Appendix II*), with the aim of extending the process through to 2050 and bringing it in line with the Company's commitment to achieving net zero emissions. This will support what the Group's Risk Map seeks to achieve, with a five-year horizon looking forward to 2030, 2040 and 2050. The main features are as follows:

- Based on future scenarios for changes in the energy mix, taking as a reference the scenarios considered by the International Energy Agency (IEA). Probabilistic analysis of scenarios is carried out by a group of the Company's experts in strategy, markets, regulation, finances, reputation, 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 unlocked.
- The most significant emerging and climate change risks for the Company have now been identified. In 2020, the risk of mass infectious diseases was included. A total of 20 emerging and climate change risks have now been identified, sorted by type. A risk taxonomy has been drawn up for this purpose, broken down into climate change and sustainable development risks, socio-political risks, operational risks, reputational risks and technology risks. Of these 20 risks, the 10 that concentrate most of the exposure are prioritized for subsequent analysis.
- The importance or materiality of each of the risks identified is determined by quantifying its economic impact on the performance of the Company and each of its business units and geographic areas. This process relies on the decarbonization roadmap defined in the Strategic Plan at certain percentiles of the loss probability distribution in 2030, 2040 and 2050.

On the **2030 horizon**, the risk analysis reveals that the probability of suffering negative impacts from the energy transition is low, at less than 5%. In other words, the Company is prepared for even the most rapid transition scenarios thanks to its decarbonization roadmap. Thus, in 2030, the Company has a very high probability (>95%) of being able to harness opportunities that will completely neutralize any potentially negative impacts. This is because of its speed in responding to events and in defining a long-term climate strategy, which places it in a favorable competitive position. Examples of these opportunities include energy efficiency, renewable electricity generation, advanced biofuels, renewable hydrogen, the circular economy and, in the medium to long run, carbon capture and storage.

Repsol is a member of this climate action initiative for sharing best practices and technological solutions.

OIL AND GAS CLIMATE INITIATIVE

https://www.oilandgasclimateinitiative.com

GSP
2020

2050 Objective:
To achieve net-zero emissions.

In the **long term (2040 and 2050),** the Company's exposure to climate risks will grow, as there will be added uncertainty as the uncertainty associated with the scale at which these opportunities can be exploited is greater. However, Repsol's firm commitment to becoming a net-zero emissions company by 2050 and its response to different energy transition scenarios go some way to mitigating these risks. According to the climate risk analysis, in 2040 and 2050 there is a reasonably high probability (estimated at 50%) that the Company will report positive impacts due to the energy transition, depending on how climate policies evolve, the carbon price signal, the costs of cutting greenhouse gas emissions, and other factors.
The main risks (which may become opportunities through mitigation measures) in 2040 and 2050 are as follows:

Climate change risks

Upstream	Refining	Chemicals	LPG	Mobility	Gas and Electricity	LAE	Risk
High	Low	Low	Low	Low	Low		Changes in the basket of primary energy sources towards other less carbon-intense sources, which involve a reduction in the use of hydrocarbons. Risk with greater exposure in all geographical areas: Europe, North America, Asia and Rest of the World.
High	Medium	Low	Low	Low			Changes in energy end-uses leading to a reduction in demand for products sold, whether as a result of natural market dynamics or induced by regulation (e.g., electrification of the automobile fleet, user preference for innovative forms of mobility, etc.). In terms of exposure, it ranks second in all geographical areas.
High	Medium	Low		Low	Medium		Regulatory changes that affect operations and/or future investments, understood as those directly affecting the Company's results, either derived from the obligation to adopt measures to mitigate climate change [in line with the international commitments acquired by each of the countries in terms of decarbonization], or of an environmental or tax nature, etc., of special relevance within the European Union, where it ranks third in terms of exposure, compared to other geographical areas. (see Appendix III of the 2020 consolidated Financial Statements).
Medium	High	Low	Low	Medium	High		Inefficient or late adoption of new practices, processes, or novel or less mature technologies to date, aimed at energy production (including renewable energies), distribution and storage, which eventually take hold in the market, or, conversely, the premature adoption of technologies that ultimately turn out to be "non-winners". With regard to exposure, this risk is the third largest in North America, Asia and the Rest of the World.
Medium	High	High	Low	Low	Medium	Medium	Changes that promote efficiency in the use of natural resources, including the reduction, reuse and recycling of non-energy products, such as those derived from the analysis of the life cycle of products and services, the implementation of circular economy measures, limitations in the use of plastics or regulations associated with compostable and biodegradable plastics.
High	Low	Low		Low	Low		Potential difficulty or limitation in raising the necessary funds to meet its obligations or to carry out its activities or those associated with a possible decrease in the credit rating that impacts the Group's financing capacity in the markets.
High	Low	Low		Low	Low	Low	Harm to the reputation of the Company and/or the industry caused by social disapproval, whether or not justified, of its performance in relation to sustainable development initiatives.
High	Medium	Low		Low	Low		Technological advances and/or innovation related to new processes or production methods that could lead to significant alterations in the operations of the Group's businesses. This risk includes technologies such as: CCS, CCU or the inclusion of waste or carbon-based discharges such as CO_2 or urban waste as raw materials in the production process (circular economy).

Impact[(1)]: High · Medium · Low

Upstream · Chemicals · Gas and Electricity · LAE · Refining · LPG · Mobility

(1) Three impact ranges have been defined based on the relative contribution of each business to the total economic impact of each of the risks. The economic impact on which the ranges have been defined corresponds to the 5% probability scenario in 2050.

Climate change can exacerbate the adverse weather phenomena to which Repsol is exposed (hurricanes, floods, changes in rainfall or temperature, etc.), which can impact its activities, including the following:

- Operations affected by water stress, where the rainfall regime could affect the operation of our facilities. In this regard, Repsol has implemented plans to reduce water consumption and increase water reuse.
- Operations exposed to hurricanes, where business could be disrupted. Repsol draws up Business Continuity Plans (BCPs) in which roles and responsibilities are defined and assigned and additional contingency measures included, such as alternative physical or virtual locations from which to resume business.

One of the main conclusions of the climate risk analysis is that Repsol is more exposed to transition risks than to physical risks. However, the Company is taking steps to reduce exposure to both.

Exposure to climate change risks is different at each of the Company's business units. This exposure, measured in absolute terms, is influenced by the size and scale of each business. The risk analysis reveals that the most exposed units are E&P and Refining. However, it is important to note that the net impact is estimated to be favorable by 2030 for Repsol as a whole and also in 2040 and 2050.

The exposure of the businesses to each of the risks has been scrutinized and differentiating elements can be seen, due to the specific characteristics of each business (see climate change risk table).

Climate change risks, both physical and transitional, are managed in the same way as the other risks to which the Group is exposed (*see Appendix III or Section 10. Risks*). However, the fact that they are emerging risks means that they will need to scrutinized in greater detail in the long term and mitigated through a long-term commitment such as Net Zero Emissions 2050, a decarbonization roadmap for the 2020 to 2050 horizon, and a 2021-2025 Strategic Plan that lays the groundwork for the transition starting in the short term and moving forward.

8.1.3. 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.

In December 2019, Repsol publicly announced plans to achieve net zero emissions by 2050, making it the first company from its industry to set itself the ambitious goal of limiting global warming remains to below 2°C relative 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.

Scenario analysis

To set out the roadmap for how business should evolve by 2050 the SDS (Sustainable Development Scenario) of the International Energy Agency has been taken as a reference point for the projections on energy demand and several scenarios have been analyzed to assess the impact on the Company's strategic lines and competitiveness. The aim is to anticipate how Repsol will adapt in order to sustainably provide the energy that society will need in future and meet the ambition of becoming a net-zero emissions company by 2050.

Repsol's international status has also been taken into account in defining these scenarios, as the Company's business is not distributed evenly across all regions of the world. The Downstream business is located mainly in Europe, where climate policies and regulations are currently more ambitious than in the rest of the world. Upstream, meanwhile, is a global activity and is present on all continents. Of Repsol's total GHG inventory, 56% is located in Europe and is subject to EU policies and regulations, notably: the EU Green Deal, the EU-ETS, the Renewable Energy Directive (RED) and the Energy Efficiency Directive (EED). Their impact is analyzed through the Integrated R isk Management System and taken into account when shaping the Company's strategy.

On such bases and in an integrated manner for the Company, different scenarios have been proposed: Central, Deep Oil Decarbonization, Electro and Hydrogen.

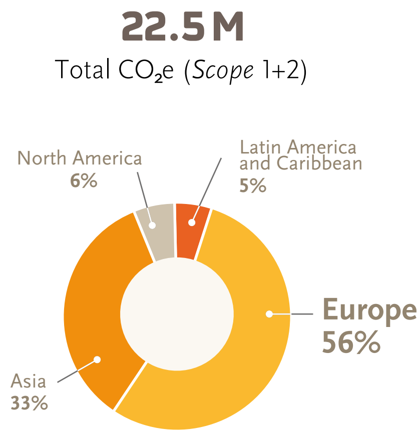
The Company's baseline scenario is the Central scenario, from which it will achieve the target of becoming a net zero emissions company by 2050. This scenario plots out the decarbonization roadmap from now through to 2050, with levers that the Company believes can be implemented with a relatively high degree of confidence through to 2030 and with a reasonably degree of confidence through to 2050.

The Deep Oil Decarbonization, Electro and Hydrogen scenarios are acceleration scenarios toward the goal of net zero emissions for the 2030-2050 horizon. They are essentially variations of the Central scenario and contemplate varying degrees of performance and levels of penetration of the technologies needed to achieve the long-term objectives.

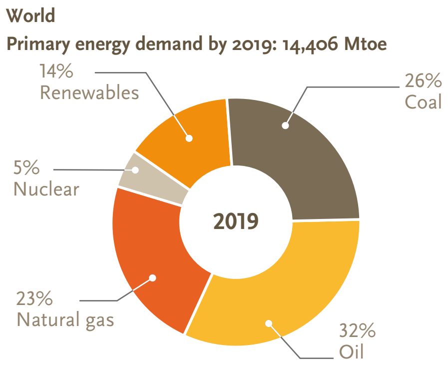
The long-term horizon, beyond 2030, comes with a certain measure of technological uncertainty, considering that renewable hydrogen, synthetic fuels, sustainable biofuels or carbon capture, use and storage projects are being developed with differing degrees of intensity, reaching energy sectors where electrification cannot reach and shaping a hybrid energy basket of renewable electricity and low-carbon liquid and gaseous fuels. The energy demand projections under the SDS scenario are used as a benchmark in drawing up the 2021-2025 Strategic Plan and the Company's long-term vision, which was presented to the market and investors in the second half of 2020 (*see Section 3. New Strategic Plan*).

As part of its commitment toward decarbonization and energy transition, Repsol has reviewed the main assumptions for appraising future investments and existing assets. The updated scenarios have impacted the accounting valuation of assets in 2020 and 2019 (*for more information, see Section 6.1 Results; Section on Asset impairment and write-downs*).

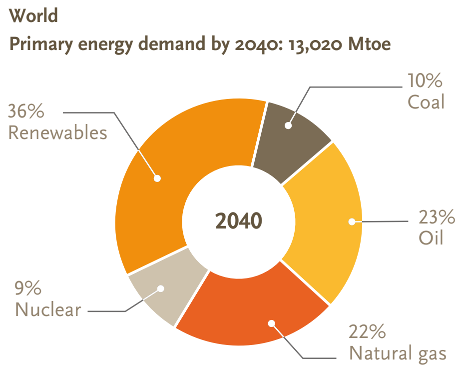
Emissions map



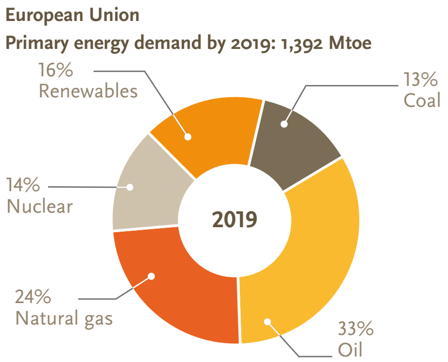
Energy mix



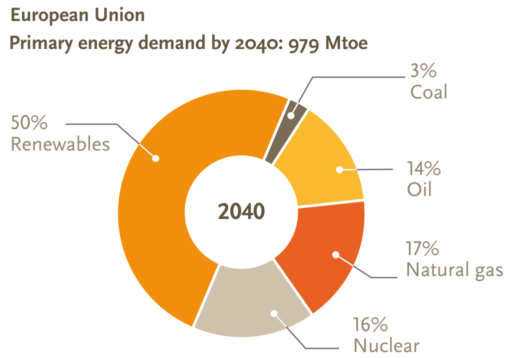
Source: IEA Energy World Outlook 2020



Source: IEA SDS Energy World Outlook 2020



Source : IEA Energy Word Outlook 2020



Source: IEA SDS Energy Word Outlook 2020

Decarbonization roadmap

In the Central scenario, five decarbonization levers clearly appear on the 2020-2030 horizon:

- **Efficiency**, driving the decarbonization of the Scope 1 and 2 emissions of the assets we operate. It entails a continuous process of searching for opportunities in the fields of technology, design and operation and maintenance procedures, focusing on the following areas:
  - Energy efficiency and electrification of energy consumption.
  - Reducing methane emissions and routine flaring emissions.
- **Transforming the Upstream portfolio** to prioritize assets that have a shorter life cycle and are less carbon intensive.
- **Low carbon fuels and circular economy**. Advanced biofuels, biogas from organic waste and incipient synthetic fuels are key to the decarbonization of the Company's refineries and chemical complexes. Repsol will have a production capacity of 1.3 million metric tons of sustainable biofuels by 2025 and more than 2 million metric tons by 2030.

  The Company will also focus on the production of renewable hydrogen from water electrolysis and biogas. Repsol has set itself a target of producing renewable hydrogen equivalent to 0.4 GW by 2025, with the aim of reaching 1.2 GW by 2030.

  As an integrated energy company, Repsol actively implements the **circular economy** in all countries in which it operates and across its entire value chain, from the procurement of raw materials through to the marketing and sale of products and services. Repsol is in the efficient products business, meaning it is geared toward the circular economy and the production of advanced biofuels. Biogas is a prime example of this. It has also set itself the target of recycling the equivalent of 10% of total polyolefin production by 2025 and 20% by 2030 (*for more information, see Section 8.3. Technology and digitalization*).
- **Low-carbon electricity generation** Repsol has set itself the target of reaching 7,500 MW of low-emission electrical power **generation capacity by 2025**, rising to 15,000 MW by 2030, which it will accomplish by investing in wind and solar power generation. It currently has a total installed low-carbon generation capacity of 3,295 MW and a further 2,639 MW under development. *For further information, see Section 7.3.4 Electricity and Gas.*
- **CO_2 capture and storage**. Carbon **capture, use and storage** technologies play a key role in Repsol's decarbonization strategy. As we move a little further into the twenties, Repsol is already involved in developing these technologies as a member of the OGCI Climate Investments fund. Repsol also has plans to undertake a CCS project in Indonesia, at the Sakakemang natural gas discovery, to capture an estimated 1.6 $MtCO_2$/year at its facilities.

  A CO_2 capture project is also planned at the Petronor refinery for the production of synthetic fuels.

Aside from the five decarbonization levers described above, Repsol promotes other initiatives –albeit with less of an impact in the period– to raise awareness among customers of the cost of reducing Scope 3 emissions through carbon offsetting mechanisms based on natural climate solutions, as well as the stake held by Repsol Foundation in Sylvestris, a company specialized in CO_2 absorption projects through large-scale reforestation.

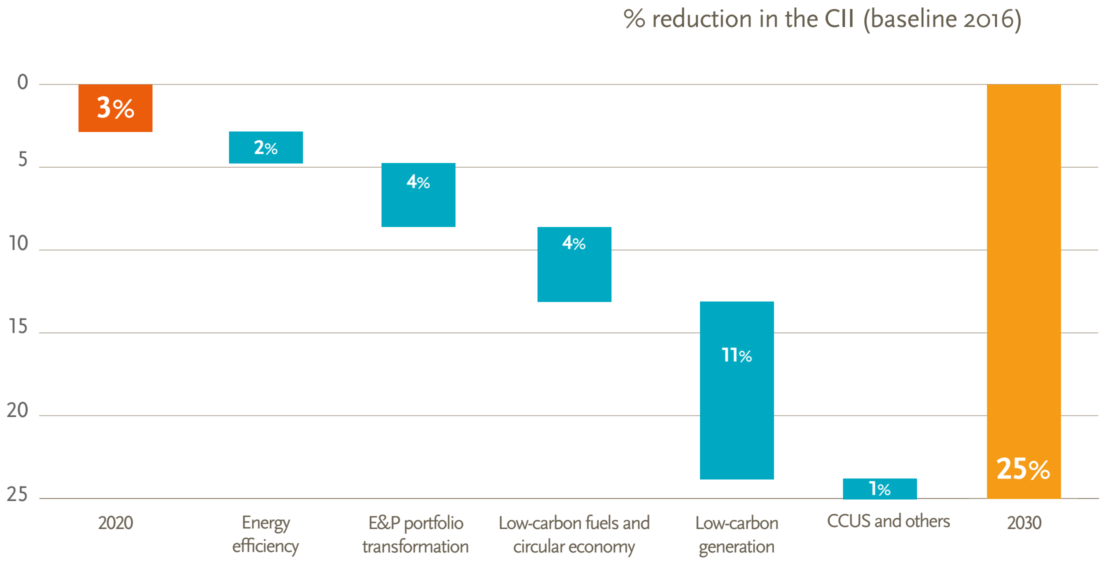
Repsol Foundation has the company Repsol Impacto Social (Repsol Social Impact) to invest in companies that work toward the energy transition and generate social development. One of its main courses of action is to reduce emissions through the stake it holds in Sylvestris, a company specialized in reforestation to absorb CO_2 from the atmosphere. Repsol Foundation, the Sylvestris group and Land Life have now laid the foundations for creating a leading joint venture within the sector, which will undertake projects to offset emissions through large-scale reforestation in Spain, Portugal and Latin America.

REPSOL Fundación

Repsol currently offers its fuel customers the Net-Zero Emissions Commitment program to allow for voluntary offsetting of emissions every time they fill up the vehicle. The initiative is available for payments made through Repsol's mobile app, Waylet. Repsol customers can offset the CO_2 emissions from their fuel consumption by supporting forestry projects. It is voluntary and every time the customer decides to offset, Repsol matches the amount.

REPSOL waylet

Breakdown of the reduction in the Carbon Intensity Indicator by decarbonization path



Beyond 2030, the Company has set itself the target of reducing its Carbon Intensity Indicator by 50% by 2040, and it envisions an 80% to 90% reduction by 2050 if energy technologies continue to advance as expected.

Under these scenarios, and if the state of the art does not show any further advances, Repsol would resort to natural carbon sinks to complete its goal of achieving net zero emissions by 2050.

Natural carbon sinks, through natural climate solutions (NCS), will also play a role in the transition toward an emission-neutral scenario by 2050. NCSs encompass changes in land use and management that can effectively reduce GHG emissions and increase CO_2 absorption by creating and expanding natural sinks. These actions also support biodiversity, improve water quality and quantity and aid in the social development of local communities. Aside from its participation in Sylvestris –the JV for reforestation projects– and the Waylet carbon offset initiative, as a member of the OGCI Repsol is involved in the NCS Alliance initiative, led by the World Business Council for Sustainable Development (WBCSD) and the World Economic Forum (WEF).

Under its Central scenario and assuming that the prevailing macro environment is consistent with the scenarios analyzed, Repsol estimates an 80% reduction in the Carbon Intensity Indicator (CII), driven by an increase in renewable electricity generation, the penetration of low-carbon liquid and gaseous fuels and the application of CCUS. In tandem, and as energy mix continues to evolve, the Company's hydrocarbon production will be pared back from 2030 onwards. In the same macro environment as the IEA's SDS scenario, Repsol visualizes the alternative scenarios described above, in which certain technologies witness accelerated development.

- **Deep oil decarbonization:** This scenario envisions greater electrification with respect to the Central scenario for light transport, while heavy, maritime and aviation must rely more heavily on low-carbon fuels.
- **Electro:** This scenario contemplates even further progress in the electrification of the transport sector through heavy reliance on the development of fuel cells. Road transport is electrified beyond just light vehicles. Advanced biofuels and synthetic fuels continue to meet the demands of the transport industry, in areas where electrification cannot reach.
- **Hydrogen:** This scenario envisions a higher penetration of this energy vector in transport and for industrial end-uses, partially displacing natural gas.

The contribution that each of the drivers defined in Repsol's decarbonization roadmap effectively makes depends on the alternative scenario analysed throughout the 2030-2050 period. In percentage terms, and upon reaching 100%, the transformation of the Upstream portfolio with lower hydrocarbon production contributes 16-18%; low carbon fuels and the circular economy contribute 20%-35%; renewable electricity generation generates 35%-50% and CCUS delivers 12%-14%.

These scenarios attain a alternative decarbonization level of 90% by 2050, meaning natural sinks are still a complementary driver in reaching net-zero emissions.

Incentive mechanisms for decarbonization

Repsol has various internal mechanisms in place to champion decarbonization actions across the Company, such as the **price of carbon**. Repsol has set an internal carbon price that applies to all investment decisions on new projects, except where there is a climate regulation that already provides carbon incentives and provided that it is higher than the internal price. This price has been set at 40 dollars/metric ton of CO_2 in 2025.

Over the course of the year, Repsol developed its own analysis methodology to gauge whether an investment is aligned and compatible with the Company's decarbonization roadmap.

Every investment proposal submitted to the Executive Committee must include a report drawn up by the Sustainability Department, describing the impact that the investment will have on the Company's Carbon Intensity Indicator.

An investment will qualify as Paris Compliant if it does not modify the CII Base Case or improves upon it and brings the Company closer to achieving net-zero emissions by 2050.

An investment that does not strictly qualify as Paris Compliant may qualify as an Energy Transition Enabler if it negatively impacts the CII by no more than 1% and the Company will offset the impact through other initiatives so as not to affect the global decarbonization roadmap.

Elsewhere, 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, and ultimately allows for a cost-efficient and sustainable energy transition.

Meanwhile, the Technology and Corporate Venturing Units contribute to the Company's strategy by investing in low-emission technologies. (*for more information, see Section 8.3. Technologies for decarbonization*)

Resilience of the strategy

Repsol has conducted a risk analysis of the decarbonization roadmap to 2050 in order to estimate the degree of uncertainty associated with the achievement of net-zero emissions target (in place for Scopes 1, 2 and 3) and the potential economic impact that the energy transition may have on the Company. The following assumptions have been tested:

- Unit cost of each metric ton of CO_2e emitted in excess of the emission reduction pathway for each simulated scenario.
- Abatement cost of the decarbonization pathway drivers and the Company's ability to unlock these drivers (total CAPEX limit and unit investment rate).

Based on these assumptions, there is a 75% probability that the economic impact of the risks associated with the energy transition will not exceed a decline in projected 2025 EBITDA of 3% by 2040 and of 8% by 2050.

Given these findings, Repsol firmly believes that its strategy, portfolio and financial framework lay the foundations for the Company's resilience by providing the adaptability and flexibility needed for future changes in the energy system on the long-term horizon.

Reviewing Repsol's involvement in initiatives and associations within the industry: Climate change

In line with its commitment to the fight against climate change and the decarbonization of the economy, Repsol works to ensure that all the associations and initiatives in which we take part are aligned both with the fulfillment of the objectives of the Paris Agreement and with the Company's main courses of action in the realm of climate change. Repsol selects associations and initiatives that are closely related to the energy sector, operate in regions or countries in which we have significant business or commercial activities and important in the fight against climate change.

8.1.4. Objectives and metrics

Direct and indirect emissions and energy consumption

		2020[9]	2019	2018	2017	2016
Emissions *Scope* 1[1][2]	**Total GHG (CO_2eq Mt)**	**22.0**	**24.7**	**22.0**	**23.0**	**24.9**
	Total CO_2 (Mt CO_2)	**18.8**	**20.1**	**17.9**	**18.4**	**19.7**
	Total CH_4 (CO_2eq Mt)	**3.2**	**4.5**	**4.1**	**4.3**	**5.0**
	Total N_2O (CO_2eq Mt)	**0.07**	**0.08**	**0.04**	**0.02**	**0.24**
	Breakdown by source					
	Flaring	1.0	0.8	0.9	0.8	1.2
	Combustion	12.6	13.7	11.5	12.3	12.8
	Venting	6.1	7.6	6.8	7.1	7.8
	Fugitive emissions	0.3	0.4	0.3	0.6	0.7
	Process	2.0	2.2	2.5	2.3	2.4
	Breakdown by business					
	Refining[3]	7.6	8.6	8.9	8.9	8.8
	Chemicals	3.2	3.2	3.0	3.5	3.5
	E&P[4]	9.4	10.9	10.1	10.6	12.6
	Electricity and Gas	1.8	2.0	n/a	n/a	n/a
	Other[5]	0.01	0.01	0.01	0.02	0.02
	Percentage of Scope 1 emissions, subject to carbon market regulations	56%				
	Allocation of emissions to Repsol facilities subject to carbon market regulations	8.3				
Scope emissions 2[1][6]	**Total GHG (CO_2eq Mt)**	**0.4**	**0.5**	**0.4**	**0.4**	**0.5**
Emissions intensity	Intensity of E&P emissions (tCO_2e/thousand of boe produced)	63	66	61	63	66
	Intensity of Refining emissions (tCO_2e/t crude processed)	0.2	0.2	0.2	0.2	0.2
Scope emissions 3	**Total GHG (CO_2eq Mt)**	**157**	**189**	**194**	**193**	**183**
	Use of products, base sales (Mt CO_2e) [7]	151	180	186	185	175
	Use of products, base primary energy (Mt CO_2e) [7 BIS]	79	88	89	87	86
	Raw materials: crude (Mt CO_2e)	5.4	7.6	7.5	7.2	6.9
	Raw materials: hydrogen (Mt CO_2e)	0.6	0.7	0.6	0.7	0.6
Energy (Scope 1 + 2)[8][9]	**Total (millions of GJ)**	**258**	**278**	**242**	**239**	**245**
	Chemical energy (Scopes 1 + 2) (millions of GJ)	60				
	% of the power grid	3%				
	of which renewable (%)	94%				
	Total electrical power generated by Repsol (millions of GJ)	4.3				
Energy intensity	E&P energy intensity (GJ/boe produced)	0.3	0.3	0.3	0.3	0.4
	Energy intensity in Refining (GJ/t processed crude oil)	3.2	2.9	2.8	2.7	2.6
Energy (Scope 3)	**Total (millions of TJ)**	**2.3**	**2.8**	**2.9**	**2.8**	**2.7**
	Use of products, base sales (millions of TJ)	2.3	2.7	2.8	2.7	2.6
	Raw materials, crude + hydrogen (millions of TJ)	0.06	0.08	0.08	0.07	0.07
Total flared hydrocarbon (Mt)		0.37	0.32	0.38	0.27	0.45
Hydrocarbon vented (Mt)		0.14	0.19	0.19	0.18	0.22

(1) 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 *(Sustainability - Climate change)*

(2) Scope 1 (direct emissions arising from Company activities).

(3) The Olefinas Cracker plant is included in the Chemicals business.

(4) The breakdown by source for the E&P business is as follows: 2.4 MtCO2e of fuel, 0.7 MtCO2e of flaring, 0.2 MtCO2e of fugitive emissions and 6 MtCO2e of venting.

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

(6) Scope 2 (indirect emissions related to the purchase of electrical energy and steam from third parties).

(7) "Scope 3: Use of products (base sales)": These emissions have been calculated based on the sale of natural gas by the Exploration and Production (Upstream) Business and sales of LPG, naphta, gasoline, kerosene, gasoil, fuel oil and petroleum coke produced in our refineries.

(7bis) "Scope 3: Use of primary energy base products based on Upstream production": These emissions have been calculated on the basis of sales of natural gas, plus sales of LPG, naphtha, gasoline, kerosene, gas oils, fuel oils and petroleum coke from our Refining structure, associated with the production of oil from the Upstream business.

(8) Includes 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).

(9) Figures on energy consumption and Scope 1 and 2 emissions for the Eagle Ford asset have not been included in the metrics and objectives because they are currently being analyzed for adaptation to the ISO 14064-1 methodology used by Repsol for all of its inventory (non-material quantities below 5%).

Objectives for the transition

	2016–2020	2025	2030	2040	2050
Carbon Intensity Indicator[1] (gCO_2/MJ)	5%	12%	25%	50%	100%
Emissions reduction plan[1][2] (Mt CO_2e)	2.4Mt[1]	1.5Mt			Net zero emissions
Reduction in methane intensity[1] (m^3/m^3)	~1%	1%	0.2%		
Reduction in E&P emissions intensity (CO_2e/boe)		75%			
Zero routine flaring[1] (kt CO_2e)	524 kt	172 kt	~0%		
Low-carbon energy[3] (GW)	3 GW	7.5 GW	15 GW		
Biofuels[3] (Mt)	0.7 Mt	1.3 Mt	2 Mt		
Renewable hydrogen[3] (GW)		0.4 GW	1.2 GW		
Recycled polyolefins (%)		10%	20%		

| Base year 3 Data 2020 3 Goals 3 Committments

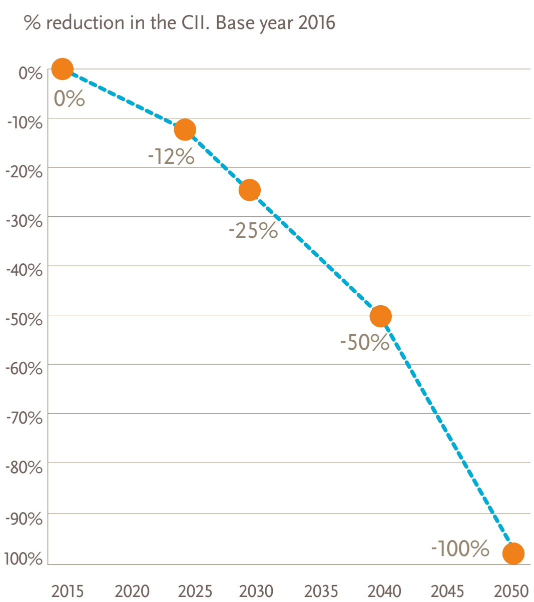
(1) Detailed information can be found below.
(2) Cumulative value for the period 2014-2020. Exceeded the 2014-2020 Emission Reduction Plan target by 0.3 Mt CO2e
(3) Gradually replaced by advanced fuels, at least 65% by 2030.

Carbon intensity indicator (CII) reduction

Repsol has devised an CII measured in g CO2e/MJ to monitor the Company's progress towards a low-emissions future until ultimately accomplishing the goal of becoming a net-zero emissions Company by 2050 upon achieving a 100% reduction in the CII. To help monitor this process, the Company has set itself intermediate reduction targets (compared to base year 2016) of 12% by 2025, 25% by 2030 and 50% by 2040.

By 2050, Repsol estimates that at least 80% of the CII can be achieved through the technological progress we currently envision for the future. It is committed to applying the best technologies available at that time to raise this figure, including carbon capture, use and storage and, if this falls short, it will offset emissions through reforestation and other natural climate solutions.

Carbon Intensity Indicator (CII) reduction targets



OGMP 2.0

Repsol has been a signatory to the Climate & Clean Air Coalition's Oil & Gas Methane Partnership led by the UN Environmental Programme since 2016. In 2020, Repsol was involved in the launch of the OGMP 2.0 Reporting Framework and reiterated its firm commitment to this new version, which is more focused on transparency and improved reporting of methane emissions.

Carbon intensity	2020	2016
g CO_2e/MJ	73.8	77.7

A reduction of 5% was achieved in 2020, exceeding the original target of 3%. This is well above target, mainly due to quieter levels of business activity amid the pandemic. The Company estimates that the final value would have been around 3.7%, based on levels of activity prior to the pandemic. This improvement is down to the implementation of energy efficiency and methane emissions management plans, the increasing presence of biofuels in petrol and diesel products, and the contribution made by the low-emission electricity business.

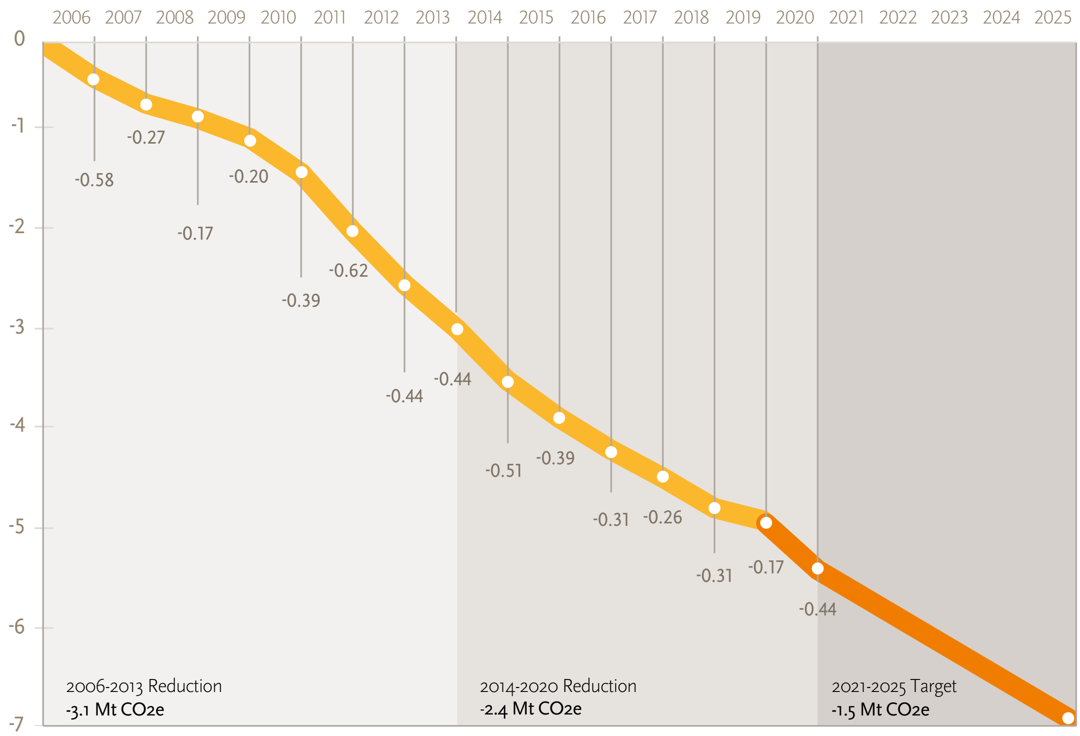
The numerator of the CII shows the emissions generated by the Company's activities (direct and indirect emissions derived from Upstream activities (exploration and production), refining and chemicals operations and from the generation of electrical power), as well as emissions generated by the use of fuel products derived from our primary energy production (oil and natural gas). Meanwhile, the denominator shows 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 and from low-carbon energy sources. (For more information, click here: https://www.repsol.com/imagenes/global/en/carbon_intensity_indicator_tcm14-198668.pdf).

CO_2 equivalent emission reduction plans

Repsol has established emission reduction plans (Scopes 1 and 2) to reduce energy and carbon intensity through operational efficiency measures. These plans led to a reduction of 5.5 million tons over the period spanning 2006 to 2020. During the year, the Company successfully completed its 2014-2020 reduction plan, thus achieving a reduction of 2.4 Mt CO_2e above and beyond the target of 2.1. It also defined a new plan for the 2021-2025 horizon in a bid to achieve a further reduction of 1.5 million metric tons of CO_2 by 2025, including, among others measures, electrification projects, the energy integration of units, process optimization and efficient operation of plants and facilities. In energy terms, a reduction of 7.3 million GJ was achieved in 2020, yielding a cumulative reduction of 37.8 million GJ over the entire period.

CO_2e emission reduction (millions of tons)

Mt CO_2e reduced



Reduction of methane emissions intensity

Convinced of the importance of the role of natural gas in the energy transition, Repsol has taken on the specific goal of reducing the intensity of methane emissions in its operated assets by 25% in 2025 compared to 2017 (1.34%). For 2030 it has assumed a new concrete target of reaching a methane intensity of 0.2%, a value recognized as close to zero intensity for the O&G industry and which is also consistent with the target recently announced by the OGCI (Oil and Gas Climate Initiative), of which Repsol is a member.

In 2020, the methane intensity value was particularly low, even below the 2025 target, due to the operational impact of the pandemic. Estimates have been made, and this value would be at least 1.03% if we factor in certain operational normalization factors.

Methane intensity(1)	2020	2019	2018
CH_4 emissions/gas produced (%)	0.98	1.28	1.17

(1) Calculation based on volume

Reduction of flared gas

In June 2016, Repsol joined the Zero Routine Flaring by 2030 initiative of the World Bank, in pursuit of technically and economically feasible solutions to minimize routine flaring as soon as possible and by no later than 2030 at its Upstream 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 initiative of the World Bank and ensuring a standard approach to the process among OGCI companies.

Repsol established a target of achieving a 50% reduction in CO2e emissions from routine flaring activity by 2025, in relation to E&P operated assets and with 2018 as the base year.

In 2020, routine flaring emissions were up due to increased production at the most flaring intensive assets and the improvements made to make the measurement methodology more precise. Overall this led to a 52% increase in emissions from routine flaring in respect of the base year (2018).

This increase will not undermine progress toward the 2025 target, as key reduction actions have been envisioned to minimize flaring at the Company.

Energy Transition Principles

Repsol takes part in the *Energy Transition Principles* initiative alongside seven leading companies from the energy sector. Within this framework, six principles have been developed and agreed upon to become the common pillars of action for the energy transition and to respond to investor and stakeholder demand for greater consistency and transparency in measuring and reporting progress on decarbonization.

Routine gas flaring	2020	2019
kt $CO_2$for Upstream routine flaring	524	280

8.2. Environment[1]

Repsol runs its business by prioritizing actions needed to minimize any potential environmental impact. To achieve this, it optimizes water management, minimizes air emissions and implements the principles of the waste management hierarchy to minimize waste and, where not possible, to give it a second life as part of own processes or third-party processes. The conservation of natural capital, biodiversity and the circular economy are key aspects in the development of Repsol's Sustainability Model. The Company relies on a multi-disciplinary team of professionals and is actively involved in industry working groups, taskforces and alliances such as IPIECA, CONCAWE and IOGP.

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, environment and safety information includes 100% of the data from companies in which the Company holds a controlling interest or control over operations.

8.2.1. Natural capital and biodiversity

Focus on natural capital in decision making

Natural capital is the stock of natural resources which, through the ecosystem services it provides, contributes directly or indirectly to the well-being of people, the development of society and the global economy. Companies like Repsol depends on natural capital and their operations generate impacts on it.

Human activities focused on economic development must successfully overcome the challenge of minimizing the natural capital lost through such activities. Conservation and protection is a key factor in achieving sustainable development.

On this front, the Company is developing a natural capital approach to decision-making to safeguard the benefits provided by ecosystems for present and future generations. By viewing ecosystems in general and biodiversity in particular as capital, we can appreciate their value and worth and account for them in a way that enables management decisions based on a suitable balance between costs and benefits.

Repsol has developed a methodology known as the Global Environmental Management Index(GEMI), together with a related digital tool to allow for a comprehensive appraisal of the environmental impacts and dependencies of both projects and operations on a global scale: Repsol *Environmental Analytics Data System (READS)*.

GEMI analyzes the relationship between the components of natural capital (plants, animals, air, water, etc.) and the ecosystem services they provide on one side, and Repsol activities on the other. This relationship is measured in two ways: 1) in economic terms, enabling the effects of each activity to be measured on the same scale; and 2) in dimensionless impact units that take into account of specific site conditions, thus making it possible to optimize environmental management at local level.

This methodology has been recognized by the experts at the Capitals Coalition[1] and the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), thanks to its scientific robustness and because it is aligned with the Natural Capital Protocol and the Biodiversity Guidance[2]. The methodology is a sign of Repsol's commitment to the principles enshrined in the Natural Capital Protocol for measuring and assessing the impacts and dependencies of the Group's operations.

Embracing respect for biodiversity in our operations

Biodiversity is one of the main components of natural capital. It is a far-reaching concept that embraces not only ecosystems and their living components, but also the ecological processes that sustain them and the valuable services that these processes provide and on which we all depend.

The latest reports of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) show that biodiversity has continued to decline across all regions of the world[3], meaning therefore, it is now more important than ever to roll out measures that prevent this.

As part of its mission of being an energy company that is firmly committed to a sustainable world, Repsol has pledged to mitigate impacts on biodiversity and all the resources it offers when planning and developing projects and operations, no matter where they are located.

1. https://capitalscoalition.org/
2. https://capitalscoalition.org/guide_supplement/biodiversity-4/
3. https://ipbes.net/news/comunicado-de-prensa-las-contribuciones-de-la-diversidad-biol%C3%B3gica-y-la-naturaleza-contin%C3%BAan-

Management of natural capital at Block 57 (Peru)

In 2020, Repsol conducted various natural capital analyses at Block 57, enabling us to understand and assess both the impacts and the mitigation measures put in place in terms of the ecosystem services on which the local communities living within the concession rely. In carrying out these analyses, Repsol applied the GEMI (Global Environmental Management Index) methodology. The main findings have been included in the Biodiversity Guidance to the Natural Capital Protocol.[1]

Good biodiversity impact mitigation practices implemented and analyzed with GEMI include the rescue and relocation of orchids, bromeliads and sensitive flora; control of exotic species; protection of sensitive trees, seed trees, vulnerable wildlife and areas of importance to them; maintenance of forest connectivity through canopy bridges and re-injection of drilling waste to reduce environmental contamination. The effective implementation of these management practices will reduce the impact of the pipeline and drilling rigs required for the Sagari project by 55% compared with a baseline scenario with no mitigation measures. This will prevent a loss of ecosystem services worth 8.5 million US dollars over a 20-year period.

1. https://capitalscoalition.org/biodiversity-guidance-to-accompany-the-natural-capital-protocol-repsol-natural-capital-valuation-at-block-57-in-peru/

Operations and activities within the energy industry can affect the natural and social environments in which they take place. The potential impacts on biodiversity that may arise from the Company's operations are as follows:

	ACTIVITY ASPECT	DESCRIPTION	PHASES		
			DEVELOPMENT AND CONSTRUCTION	OPERATION	DECOMMISSIONING
LAND USE	Physical presence	Physical on-site presence may generate a visual impact on the environment. Other related potential impacts include the alteration, fragmentation or loss of habitat and changes in the presence and distribution of local species.	Potential Impact	Potential Impact	Potential Impact
	Physical disturbance (site clearing and preparation)	Physical disturbance is an activity largely associated with the start and end of the life of an asset and may have a visual impact on the environment. Other related potential impacts include the alteration, fragmentation or loss of habitat and changes in the presence and distribution of local species.	High Potential Impact	Impact unlikely to occur or with low potential impact	Potential Impact
	Consumption/ extraction of water	Water consumption for use in processes can lead to reduced water availability and potentially affect the ecosystems and habitats of certain species.	Impact unlikely to occur or with low potential impact	Potential Impact	Impact unlikely to occur or with low potential impact
EMISSIONS	Noise and vibrations	Noise and vibrations caused by processes can disturb local wildlife.	High Potential Impact	Potential Impact	Potential Impact
	Light	The light emitted by our activities can generate a visual impact at night.	Impact unlikely to occur or with low potential impact	Potential Impact	Impact unlikely to occur or with low potential impact
	Dust	Dust emitted can generate impacts when it lands on vegetation, while also disturbing local fauna in the vicinity of the facilities.	High Potential Impact	Impact unlikely to occur or with low potential impact	Potential Impact
	Exhaust/combustion emissions (GHG, NOx, SOx, PM, VOC)	Exhaust emissions associated with the operation of fuel-burning equipment can impact local air quality and also climate change on a global scale.	Potential Impact	High Potential Impact	Potential Impact
	Fugitive emissions and venting	Unplanned fugitive emissions and venting can impact local air quality and also climate change on a global scale.	Impact unlikely to occur or with low potential impact	Potential Impact	Impact unlikely to occur or with low potential impact
	Gas flaring	Gas flaring can impact local air quality and also climate change on a global scale. It can also have an associated thermal and visual impact on the surrounding wildlife.	Impact unlikely to occur or with low potential impact	Potential Impact	Impact unlikely to occur or with low potential impact
DISCHARGES	Wastewater, greywater and food waste	The discharge of treated wastewater may cause changes in the quality of available water.	Potential Impact	Potential Impact	Potential Impact
WASTE	Hazardous waste	Waste can lead to soil and groundwater/surface water contamination, possibly impacting the ecosystems and habitats of certain species.	Potential Impact	High Potential Impact	High Potential Impact
	Non-hazardous waste	Contamination of land and groundwater/surface water, possibly impacting the ecosystems and habitats of certain species.	Potential Impact	Potential Impact	Potential Impact
ACCIDENTAL EVENTS	Spills	Accidents events such as spills can lead to soil and groundwater/surface water contamination, possibly impacting the ecosystems and habitats of certain species.	Impact unlikely to occur or with low potential impact	Potential Impact	Impact unlikely to occur or with low potential impact
	Fire or explosions	Accidental events such as fire or explosions can generate thermal and visual impacts on wildlife, affect local air quality, or lead to habitat alteration and fragmentation.	Impact unlikely to occur or with low potential impact	Impact unlikely to occur or with low potential impact	Impact unlikely to occur or with low potential impact
	Introduction of invasive species	The unintentional introduction of invasive species can lead to changes in the occurrence and distribution of species within the area of operation.	Impact unlikely to occur or with low potential impact	Impact unlikely to occur or with low potential impact	Impact unlikely to occur or with low potential impact

High Potential Impact   Potential Impact   Impact unlikely to occur or with low potential impact

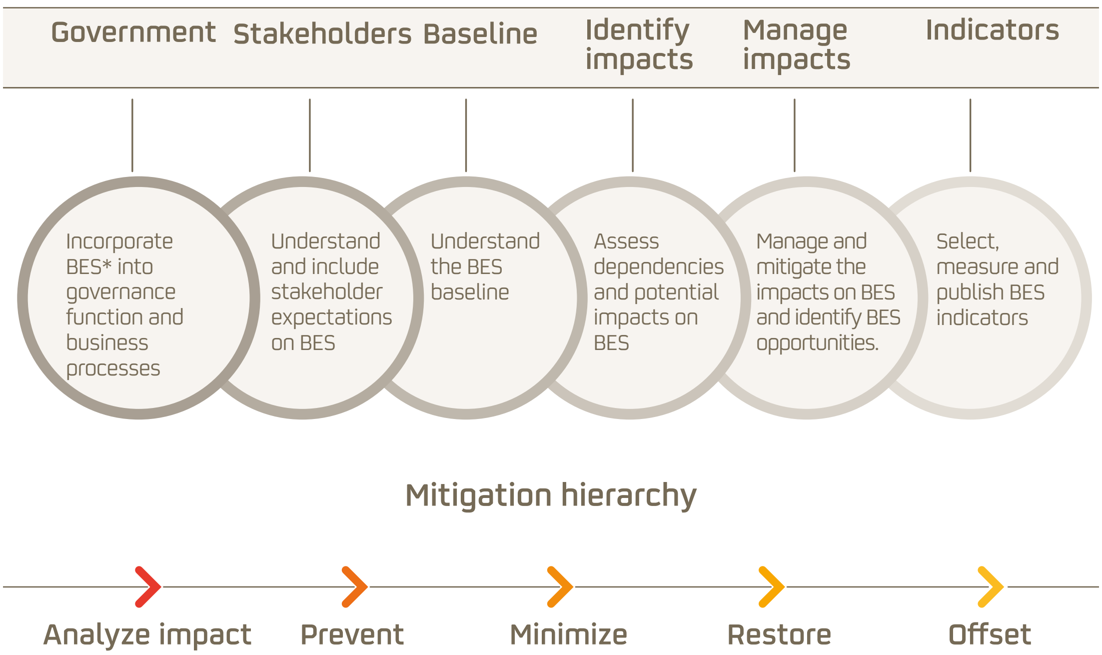
The Company is fully aware of the positive role that business can play in finding solutions to the challenges of biodiversity and ecosystem services loss. For this reason, the Group's management practices focus on:

- Making natural capital, biodiversity and the protection of ecosystem services part of its decision-making processes.
- Engaging stakeholders and understanding their expectations on biodiversity, while collaborating with communities.
- Assessing the dependencies and impacts associated with the ecosystem services provided by biodiversity and other components of natural capital.
- Preventing and minimizing impacts on biodiversity and natural capital, while restoring the environment in which the Company's activities take place, especially in sensitive, biologically diverse or protected natural areas.
- Developing indicators to measure performance and optimize management efforts.
- Taking part in research, biodiversity conservation, education and awareness-raising projects.

Repsol was the first company from the Oil&Gas sector to apply the *Biodiversity and Ecosystem Services* (BES) Management Ladder of IPIECA, the International Petroleum Industry Environmental Conservation Association, to which Repsol belongs. This framework, which Repsol experts also helped to develop, analyzes the current status of existing Exploration & Production assets and projects and identifies next steps.

It focuses on six interrelated management practices:

Managing biodiversity



* Biodiversity and Ecosystem Services

Repsol has a set of internal environmental management regulations for carrying out these practices, which include Environmental, Social and Health Impact Assessments (ESHIA) for all new operations or facilities, even when this is not a local legal requirement. These studies ensure that all potential impacts are identified as early as possible in the project life cycle and are taken into account in the project design so as to prevent and mitigate any negative effects.

This includes the obligation to determine the sensitivity of the area that the operations will affect and to assess, on a project-by-project basis, whether work should continue in the case of sensitive areas.

8.2.2. Water

Water as a shared resource

Water is a key resource with socio-economic, climate and biodiversity impacts. Therefore, Repsol strongly believes that water must be managed as a strategic resource to ensure the sustainability of its operations. It strives to ensure that water is used as efficiently as possible in collaboration with local stakeholders on the path to achieve the Sustainable Development Goals.

Ensuring water availability, quality and accessibility is essential to maintain our license to operate, and is one of the main environmental challenges facing the energy sector.

Water at Repsol is used in key processes at industrial facilities, factories, service stations and at Exploration & Production assets.

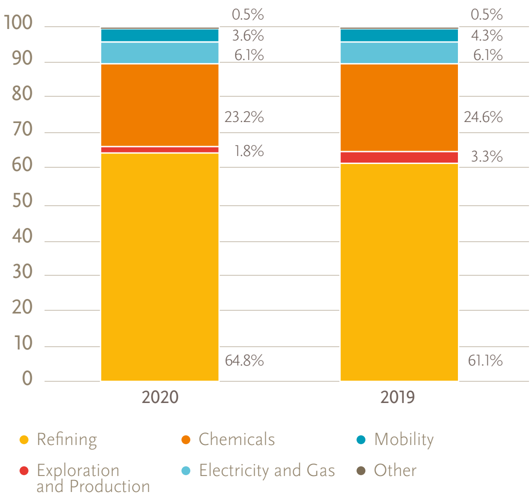
Most of the water captured by the Company comes from the ocean (83%) and is used in cooling processes. The rest is supplied by third parties (9%), mainly public water network suppliers, surface sources (7%) and groundwater sources (1%).

Aside from cooling, water is commonly used for steam generation, as an input for industrial processes, drilling activities and other minor uses such as fire-fighting water or the supply of sanitary services.

In terms of water discharge, the main destination is the ocean (95.5%), which receives all cooling water used. Other destinations include surface water bodies (3.3%) and delivery to third parties for treatment and/or final disposal (1.2%).

The main potential impacts derived from water use relate to water withdrawal, which leads to a reduction in water availability and can affect ecosystems and habitats of certain species, and to its discharge into surface water bodies and a reduction in the quality of the water present across ecosystems.

Fresh water withdrawal by activity



LIFE-DIVAQUA Project

Repsol takes part in the LIFE-DIVAQUA[1] project through its Electricity and Gas business. The main objective of this initiative is to restore and improve the condition of the aquatic ecosystems and habitats of the Natura 2000 network in the Picos de Europa National Park (Spain) and surrounding area. The main actions under this project are as follows:

- Restoring aquatic species and habitats to a good conservation status.
- Reducing human pressure on biodiversity, thus improving the conservation status of aquatic habitats and species, and enhancing ecosystem services.
- Fostering the sustainability of productive, educational, cultural and tourism activities.
- Developing new tools and approaches to improve the characterization, monitoring, assessment and management of species and habitats.

1. https://lifedivaqua.com/

GSP 2021

2025 Objective:
Integrating water management 100% of our assets and industrial units of the Exploration & Production, Refining and Chemicals businesses.

Water management	2020	2019
Fresh water withdrawn (thousand m^3)	54,477	57,643
Water reused (thousand m^3)	14,182	15,679
Water discharged (thousand m^3)	304,592	244,319
Hydrocarbons in water discharged (tons)	145	186

The reduction of fresh water withdrawn in 2020 was mainly down to a drop in productive activity, largely on account of COVID-19. On 2020, open-circuit cooling water from the Electricity and Gas business, which captures seawater (non-fresh water), has been included within the scope of the water discharged metric.

Impact management, risk analysis and the Repsol Water Tool (RWT)

Repsol has been managing water at its facilities for decades, appraising risks and impacts and seeking out new solutions at operational level to minimize consumption and preserve water quality.

The main impacts associated with the use of water in operations stem from the process of extracting the resource from the natural environment and from water discharge activities, which are kept to a bare minimum by complying with applicable legal requirements and internal standards drawn up in line with best international practices established by IOGP, IPIECA and other industry associations to which Repsol belongs.

The identification of water-related impacts relies on the use of specific tools, including Environmental, Social and Health Impact Assessments, which are conducted in accordance with local law and regulations in the countries where Repsol operates or following internal standards, as well as the periodic monitoring requirements agreed upon with the corresponding environmental authorities. Natural capital analyses are also carried out following an internal methodology known as the Global Environmental Management Index (GEMI), of which water management is a key component. Life Cycle Analysis are also run to measure the environmental performance –including the water vector– of the Company's products. Meanwhile, water footprint studies and other detailed technical analyses are conducted in operations where water management is a priority.

The Company relies on the Repsol Water Tool (RWT) to analyze the exposure of our operations to the risk of water scarcity. The tool is used to assess both internal risks (measurement quality, types of water use, treatment technologies, etc.) and external risks (water 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 need to act is a priority.

Since 2013, RWT analysis has been carried out at refineries, chemical plants and Upstream assets that account for more than 90% of the fresh water captured by Repsol operations around the world. In 2020, the Company set itself the objective of improving the analysis methodology to incorporate new sources of information and to adapt the analysis to new types of operations.

Actions for sustainable water management

Repsol pursues various courses of action through for 2025 in relation to water management. They entail a proper analysis of water-related risks, making the real value of this resource part of decision-making processes, and nurturing a water culture at the Company.

The lines of action for water through to 2025 are deployed at the Group's different business units in the form of specific plans and actions that sometimes feature related targets.

Water

Diagram of the lines of action up to 2025

Reuse of External water by relaying on alternative non-fresh sources

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

The Tarragona industrial complex uses non-fresh regenerated water taken from a public wastewater treatment plant, thereby reducing the use of fresh water. In 2020, 12% of the total water withdrawn at the industrial complex (refining and chemical plant) came from the municipal WWTP.

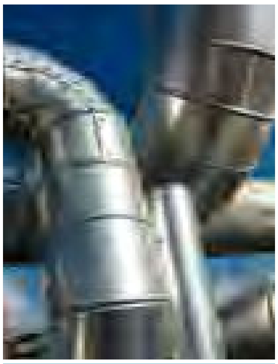
Efficient use of water

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

A project has been implemented at the Escatrón combined cycle power plant (Spain) to reduce the volume of captured water. The project consists of optimizing chemical consumption in the cooling towers, thus achieving a reduction in the water supplied to the cooling towers. This will have the effect of reducing discharges into the Ebro. This measure has been flagged as an improvement opportunity in the facility's ISO 14001 Environmental Management System.

Internal reuse of water

Between 2015 and 2020, Repsol increased its use of reused water by 62%. In 2020, reused water accounted for 21% of the total water that enters operating processes, excluding water collected by the Electricity and Gas business.



Industrial Area facilities carry out advanced treatment of wastewater streams for reuse in their own processes. In 2020, internally reused water accounted for 22% of the total water that entered operating processes. This is clear evidence of Repsol's commitment to finding new uses for water.

Reducing the impact of discharges

In 2020, a total of 37.4 million m³ of water was discharged, without counting the discharge of cooling water from the combined cycle plants of the Electricity and Gas business. This made for a reduction of 26% compared to 2015.

Repsol is working to start up a wastewater treatment plant at its production facilities in Kinteroni (Peru) to improve the quality of wastewater.

Collaborative approach to water management

For Repsol, a collaborative approach to water management is important. It believes in joint relations with stakeholders and regulators and in paying close attention to their needs and interests. This collaborative approach leads to more effective management strategies to help prevent risks and mitigate impacts on the affected river basin.

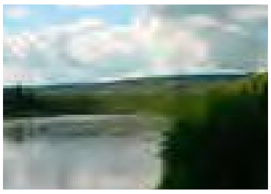
Notable examples of partnerships with stakeholders for the responsible management of water as a shared resource include the following:

Collaborative approach to water management

Blue Certificate in Lot 57

Project to obtain the Blue Certificate by Repsol Exploración Perú for its operations in Lot 57. The certificate is a recognition granted by the National Water Authority (ANA) and is obtained thanks to the measurement, reporting and reduction of the water footprint and the development of a shared value project. In 2020, the ecological and participatory restoration of exploratory platforms was implemented in coordination with the Ashaninka Communal Reserve (ECOASHA-NKA), the native communities in the area of influence of the abandoned project and the State through the National Service of Natural Areas Protected by the State (SERNANP). This has restored the ecological integrity of the forest, which is fundamental to the conservation of local water resources.

Participation in the Red Deer River Watershed Alliance (RDRWA)



The RDRWA is an organization that works to promote the good use and management of water resources within the Red Deer River watershed in Alberta, Canada. It engages with a wide range of stakeholders who influence water and land use practices in the communities. This organization leads activities related to watershed planning, shares best management practices, reports on the status of the watershed and educates users on the importance of water resources, an area of more than 49,650 km² where more than 300,000 people live. Repsol plays an important role in the RDRWA, both as a shareholder and as a financier.

Stakeholder dialogue channels

Establishment of permanent dialogue channels between society and the company, such as the Public Advisory Panel of the various industrial complexes, which allows us to become aware of and convey the concerns of the neighbors about safety, health and the environment, including water.

Work with associations

Participation in water working groups at the sector level in the following associations: IPIECA , CONCAWE, AOP, CEFIC or FEIQUE. In the case of IPIECA, 2020 has been a year with significant activity that has brought with it the publication of:

- A fact sheet on the opportunities and challenges of reusing water in E&P, and
- A document for water risk assessment in the O&G sector that provides a high-level overview of how water-related risks can be defined, assessed and responded to.

8.2.3. Circular Economy

To guarantee sustainable growth, Repsol optimizes the use of resources when manufacturing its products. Many natural resources are finite, and so a balance must be struck to protect the planet while maintaining welfare and economic development.

Traditional "extract-manufacture-dispose" production models are no longer enough to meet current needs, which demand more circular models.

The circular economy is a new model of production and consumption that guarantees sustainable growth over time. Thanks to the circular economy at Repsol:

- Minimizes the consumption of virgin resources
- Optimizes production processes
- Increases the useful life of products
- Minimizes waste generation and encourages the reuse of waste through recycling or by giving it a second life and turning it into new products

Repsol prioritizes efficient management of resources, focusing on the circular economy.

Circular Economy at Repsol

Circularity key lines

Eco-design

From the design phase of our products, we incorporate criteria that allow us to minimize the consumption of raw materials in their production, extend their useful life and increase the subsequent recycling of their components.

Efficiency and process innovation

We optimize resources and processes so that waste has a new use, both in our production processes and in those of third parties.

Renewable energy and alternative raw materials

We use renewable energy sources and alternative raw materials of residual origin in manufacturing our products.

New consumption patterns

We encourage initiatives that prioritize renting over buying products to promote more sustainable consumption.

Levers

Repsol Technology Lab

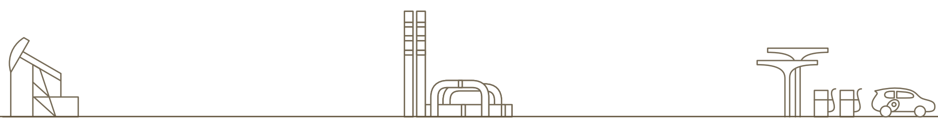
We rely on technology through our technology center to provide circular solutions to our businesses, making them more efficient, sustainable and competitive.

Partnerships

We work with more than 180 strategic partners, organizations and institutions with whom we develop circular initiatives and create the necessary synergies to accelerate the implementation of circular economy projects.

Examples of circular projects

- Mud management
- Circular polyolefins
- Mono-material
- Reciclex
- Biofuel from waste
- Wible



Production | Transformation | Commercialization

Value chain and Projects

Learn more about the Circular Economy and our pledge at: https://www.repsol.com/en/sustainability/circular-economy/index.cshtml

GSP
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2025 Objective:
Developing cross-cutting circular economy projects in cooperation with external institutions, working with all businesses across the Company.

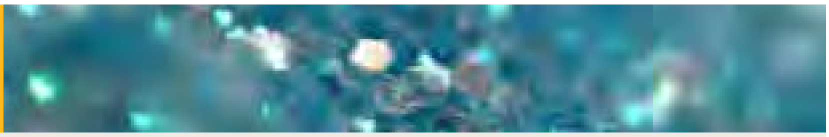
+220
circular initiatives in 14 countries

+180
strategic alliances

+10 million€
in circular economy projects

The circular economy strategy, approved by the Chief Executive Officer in December 2016, is integrated into the key lines of action for 2025 under the Safety and Environment strategy, favoring the contribution to the Company´s priority SDGs and meeting the expectations of stakeholders. Repsol's 2021-2025 Strategic Plan includes a roadmap with intermediate goals for delivering on the Company's pledge of becoming a net-zero emissions company by 2050. The Company has therefore committed to a process of industrial transformation, considering both the circular economy and the decarbonisation of its assets as key elements.

With this objective in sight, Repsol aims to attain a sustainable biofuel production capacity of 1.3 million metric tons by 2025 and of over 2 million metric tons by 2030, of which more than 65% will be produced from waste.



Advanced biofuels from waste

At Repsol, we have been working tirelessly on the search for new technologies and raw materials to make our fuels and processes more circular and sustainable, with the support of Repsol Technology Lab.

We continuously adapt our industrial complexes so that they are able to process waste raw materials such as used cooking oil, waste biomass, and agricultural and forestry waste into carbon-neutral products (or fuels).

Repsol is set to become a benchmark in advanced biofuels, with a production capacity of 1.3 million metric tons by 2025 and of over 2 million metric tons by 2030, of which more than 65% will be produced from waste. We are therefore making significant progress toward our commitment to become a net zero emissions company by 2050.

With this vision in mind, Repsol already has several projects in progress, including the construction of the Cartagena biorefinery, which will become Spain's first ever advanced low-emission biofuels plant. The facility will be able to produce 250,000 metric tons per year of hydrobiodiesel, biojet, bionaphtha and biopropane for maritime, air and land transportation uses. *See Section 8.3 Technology and digitzation for more information on our circular economy technology projects.*

It also plans to recycle the equivalent of 20% of its polyolefin production by 2030 in order to incorporate waste plastic material into the manufacture of new polymers.

In 2020, the **main advances** made toward the circular economy included the following:

- **More than 220 circular projects,** many of them carried out jointly with upward of **180 strategic partners,** public bodies and institutions to create the necessary synergies to speed up its implementation.
- Searching for new raw materials and technologies with which to produce our products more sustainably. **More than 40 different waste types and technologies** were appraised during the period.
- **Circular Economy Action Plan**. The Company has set up a circular economy working group, comprising representatives from different business units who respond to the requirements of the Company's Circular Economy Committee.
- Active participation in more than **10 national and international working groups**, notably: CEOE, Spanish Chamber of Commerce, COTEC, IPIECA, World Economic Forum, Plastics Europe, CEFIC, CONCAWE, European Commission, Committee CTN323 of the UNE, AOP, etc.
- Reviewing the Company's Circular Strategy and bringing it in line with European Green Deal and the Spanish Circular Economy Strategy known as *España Circular 2030*. Within this framework, we have collaborated with MITERD in defining Indicators and Circularity Good Practices
- Identifying circular economy indicators, useful for both quantifying how circular a project is and for making project-related decisions.

8.3. Technology and digitalization[1]

8.3.1. Technologies for decarbonization

Technological innovation is key to accelerating the development and implementation of innovative technologies and business models for the Company and society. In 2020, Repsol invested 70 million euros in own R&D (Repsol Technology Lab), generating 11 new patent families. It is firmly committed to the decarbonization of its industrial production and transportation by focusing on the development of technologies that drive:

- The accelerated decarbonization of refineries and petrochemical plants and their products through circular processes that use organic waste as the raw material.
- Production of renewable hydrogen at refineries and petrochemical plants through the use of technologies such as electrolysis from renewable electricity, biomethane reforming and photo-electrocatalysis.
- Production of advanced biofuels from waste and synthetic fuels from CO2 and hydrogen to support an accelerated transformation toward low-emission transportation.

The refinery of tomorrow features an inseparable and winning combination of decarbonization and circularity. Achieving this type of refinery raises various ambitious technological challenges, as described below.

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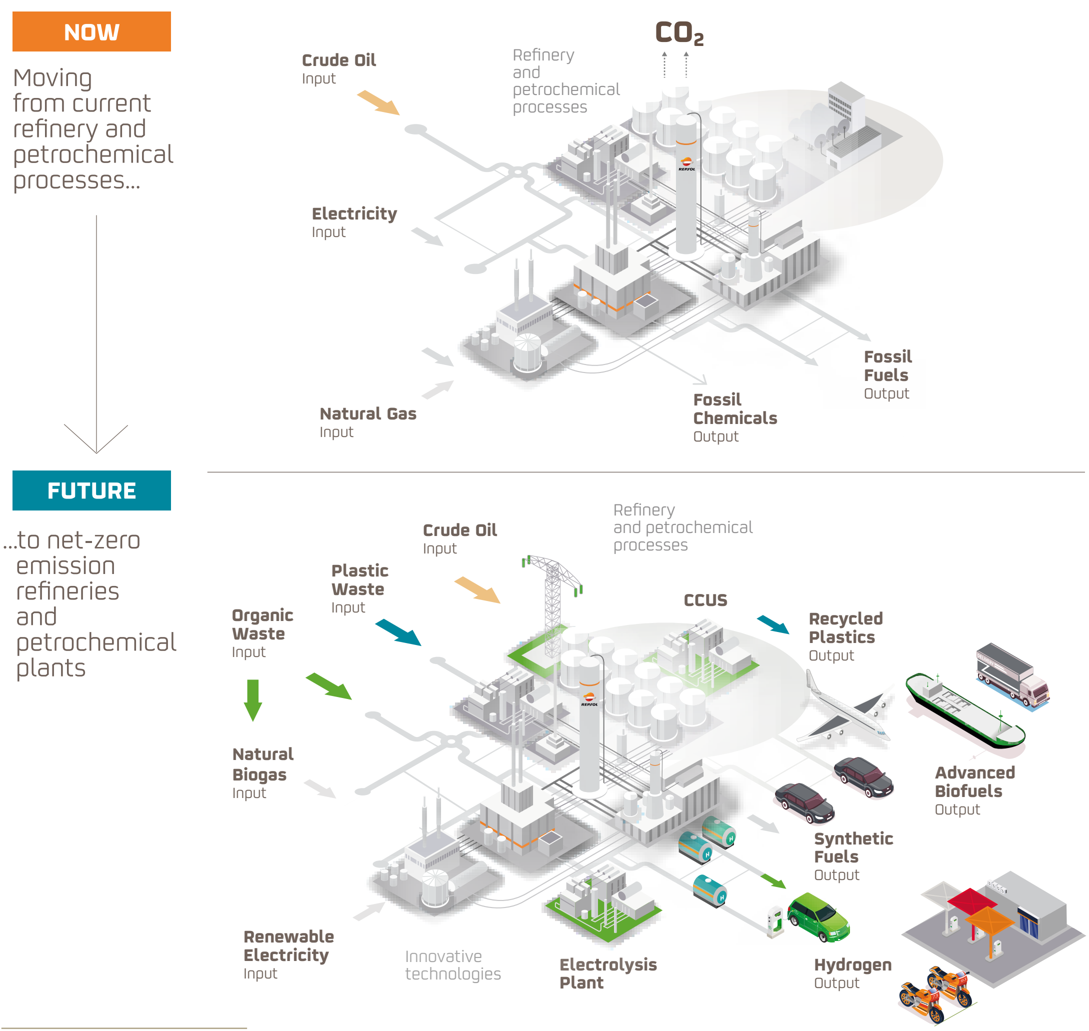
2025 Objective:
Reaching a sustainable biofuel production capacity of 1.3 million metric tons by 2025.

The refinery of the future:



1. The magnitudes and indicators in this section have been calculated according to the corporate regulations that establish the criteria and applicable methodology. Investment in R&D includes the figure corresponding to joint ventures in Brazil.

Production of advanced low-carbon biofuels

In October 2020, Repsol announced the construction, at its Cartagena refinery, of **Spain's first advanced biofuel production plant, entailing an investment of 188 million euros.**. The Company will use this facility to supply some 250,000 metric tons of advanced biofuels per year for aviation and land transport uses, thus enabling a reduction of 900,000 metric tons of CO_2 per year.

Repsol is also working to find alternatives to fuels for road transport, as well as for air and maritime transport. Specifically for air transport, the Repsol Technology Lab is developing processes for the production of kerosene from renewable or recycled raw materials, which are then scaled up to industrial production. In 2020, the Company successfully **manufactured the first batch of aviation biofuels for the Spanish market**. This particular biojet was produced at Puertollano (Ciudad Real) and is being continued at other Repsol industrial complexes in Spain.

Use of biogas from organic raw materials

The Company is leading projects in new technologies to obtain renewable gases from waste. A key project here is the **future biogas production plant from municipal solid waste in Bilbao**. The aim is to use the biogas generated to replace part of the natural gas consumed by the Petronor refinery, thus contributing to decarbonization. The plant will transform 10,000 metric tons of waste per year, with a capacity that can be expanded in later phases to up to 100,000 metric tons per year.

Recycling plastic to produce circular polymers

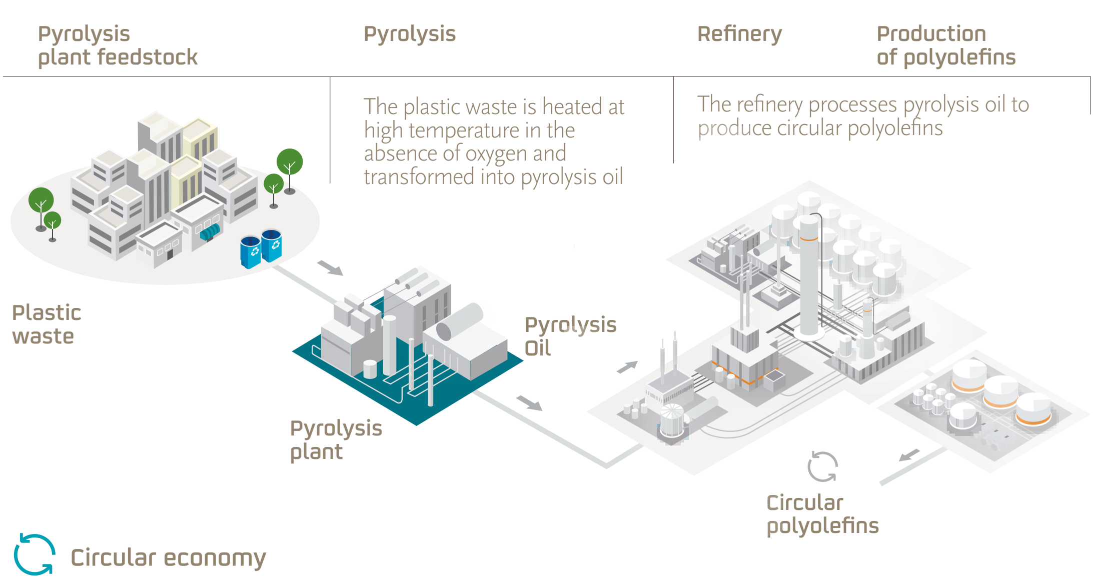
Repsol is working to recycle the equivalent of 20% of its polyolefin production by 2030. The Company's circular polyolefins can be obtained by replacing part of the conventional raw material used with oil from the chemical recycling of plastic waste that is not suitable for mechanical recycling, which is also carried out at its facilities.

Production of renewable hydrogen at refineries and petrochemical plants

The most widespread technology for hydrogen production today is steam reforming from natural gas. The search for solutions to reduce the carbon intensity involved in the production of this hydrogen is one of the key priorities of Repsol's Technology area. The Company is currently pursuing various projects in relation to the generation and use of renewable hydrogen with a low carbon footprint, notably the following:

- Production of renewable hydrogen through electrolysis at the Bilbao refinery.
- Development, alongside Enagás, of a new technology for the production of hydrogen through photoelectrocatalysis using solar radiation.

Biogas production plant from municipal solid waste



Production of synthetic fuels from renewable hydrogen and CO_2 captured at the refinery itself

Repsol plans to invest 60 million euros in **building one of the world's largest net-zero emission demo plants** to produce synthetic fuels from renewable hydrogen. The facility will be built at the Port of Bilbao (Spain), close to the Petronor refinery. These new fuels will be produced with water (hydrogen precursor) and CO2 as the only raw materials, and can be used both for mobility and in the residential sector.

It will also enable the direct use of hydrogen as a transport fuel by powering new hydrogen fleets and vehicles.

Development of low carbon footprint fuels in all fields of mobility, including top-flight competition

Developing fuels with a high renewable content is one of the cornerstones of Repsol's decarbonization roadmap. The Company currently uses biofuels in blends with mineral fuels, diesel and gasoline, in compliance with European regulations on the use of energy from renewable sources in transport. Adding these biofuels to conventional fuels in higher proportions is a technological challenge.

Repsol's Technology Lab is therefore working on the development, demonstration and scaling of products with low or zero carbon emissions. To achieve this, a roadmap has been drawn up to develop low or zero carbon fuels for different road transport segments, including service stations, vehicle fleets and even motor racing. The plan is therefore to develop gasolines and diesel fuels with carbon footprint reduction potentials ranging from 50% to negative footprint.

CCUS

To develop carbon capture, utilization and storage (CCUS) technologies, the Company works alongside its partners on the Oil & Gas Climate Initiative (OGCI) through the Climate Investment fund. This organization brings together 12 large companies from the Oil & Gas sector and its fund invests in decarbonization technologies. In the realm of CCUS, highlights include the investment made in Canadian company **Svante**, which has developed a CO2 capture technology with the potential to halve the costs of other current techniques through the use of nano-adsorbents.

Repsol is also appraising CCS opportunities at its E&P assets with the scientific support of the Repsol Technology Lab. As a result of this assessment, the Company has launched the **Sakakemang** project in Indonesia, a **pioneering initiative for the Group in the capture and storage of CO2**, with a potential of 1.6 Mt/year of CO2.

The captured CO2 can be geologically stored or used as a raw material for a wide range of applications. Repsol Technology Lab is also developing tech to convert captured CO2 into raw materials for a broad spectrum of products, from the synthesis of polymers and the production of synthetic fuels to their eventual incorporation into construction materials, among others. OGCI also supports cutting-edge companies in this realm, including **Solidia**, which uses CO2 to manufacture concrete.

Distributed generation and grids

Repsol is working to develop the following technologies to incorporate integrated solutions based on artificial intelligence that will increase the energy efficiency and flexibility of electricity grids:

a) Energy management systems (EMS), which lower electricity consumption and optimize the operating regimes for various electrical applications.

b) Virtual Assets Management (VAM) systems to aggregate distributed generation sources and demand within a territory, enabling the secure and stable operation of the electricity system.

8.3.2. Repsol Corporate Venturing

Repsol's objective is to accelerate the introduction of innovative technologies and business models, through an investment fund that seeks to acquire stakes in start-ups that offer solutions in three key realms of action: decarbonization and circular economy, advanced mobility and renewable energies, and digital technology and asset optimization.

Project to produce hydrogen

Development of photoelectrochemical technology for hydrogen production, in partnership with Enagás. This proprietary and disruptive technology splits water into hydrogen and oxygen without the need for any electrical power source, thus enabling the direct transformation of solar energy into chemical energy at ambient pressure and temperature through a single device.

In November 2020, the first pilot plant started operating on a relevant scale (~1 m^2 per module) at the facilities of Repsol Technology Lab. This pilot is the most ambitious project to date in terms of photoelectrochemical hydrogen production, in terms of size and efficiency, while simultaneously overcoming key challenges relating to stability and cost.

GSP
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2022 Objective:
40% of the investment in R&D projects in line with the pillars of the Sustainability Model.

The fund's investment portfolio currently features more than 20 investee companies (*see http://ventures.repsol.com*). In 2020, activity focused on portfolio management through the financing of startups to ensure the growth of their business plans amid the adverse economic environment resulting from the COVID-19 pandemic. In 2020, the fund invested in five start-ups for a total investment of 10.4 million euros, with 94% of the total investment targeting companies that develop low carbon technologies. The most notable transactions and deals were as follows:

- Creation, alongside Valencian metallurgical company IMECAL, of the company **PERSEO Biotechnology S.L**., which has a novel patented technology known as Perseo Bioethanol®, with which to transform municipal solid waste into advanced biofuel in a profitable manner.
- The capital increase at **Begas Motor S.L**., a company that develops Euro VI certified engines for heavy vehicles that run on LPG, under a joint investment with the CDTI through the INNVIERTE program.
- Divestment of the stake held in **Principle Power Inc**, a North American company that owns a floating structure technology for offshore wind power generation. The decision to sell the interest follows the end of the venture capital investment phase, after eight years as a shareholder.

To accelerate the exploitation of the technologies and maximize the likelihood of success for the investment, pilot tests and technological developments of the Company's operations have been planned with all of the startups featured in the investment portfolio.

Meanwhile, and as mentioned above, Repsol takes part with its Oil&Gas partners in OGCI Climate Investments (OCGI-CI), a vehicle for channeling more than 1 billion dollars into startups over a 10-year period with a view to fighting climate change by reducing greenhouse gas emissions linked to the supply of energy. Four new companies were added to the fund in 2020. For more information, click here: (https://oilandgasclimateinitiative.com/climate-investments/).

Repsol's innovation model is leveraged on open innovation and networking, in alliance with technology centers, companies and universities from around the world. For more information, see https://www.repsol.com/en/energy-and-innovation/open-innovation/index.cshtml.

Indicators	2020	2019
No. of external scientific partnership agreements	72	54
Projects supported by the Spanish government	18	14
Projects promoted by the EU	15	12

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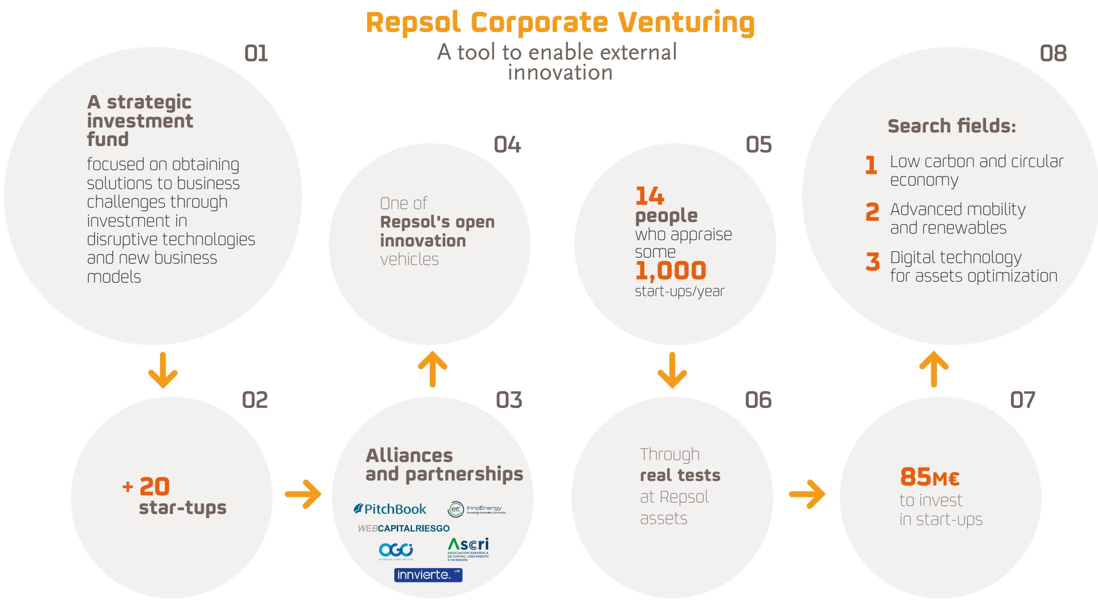
Ambition:
Drive technological innovation as a lever of transformation toward sustainable business models.



8.3.3. Digitalization

Since its inception in 2017, Repsol's Digitalization Program has remained firmly committed to sustainability through more than 250 digital cases, of which 105 contribute directly to the Company's own sustainable development goals.

This Horizontal Program seeks to obtain economic benefits along the entire value chain through digital technology drivers such as artificial intelligence, advanced data analytics, robotic process automation (RPA) and omni-channeling.

In 2020, the Company prioritized the following initiatives to increase safety and operational efficiency and cushion the environmental impact:

- In the field of E&P and with regard to safety at facilities, the Company has opted for digital solutions that feature both physical and logical control barriers, where data can be managed through the graphic representation of risk scenarios (Bow-Tie models). As for reducing the environmental impact, highlights include the Global Environmental Monitoring Index (GEMI) methodology for comprehensive natural capital assessment and decision-making (*for more information, see Section 8.4*). Repsol is also working to make the measurement of greenhouse gas emissions part of its Production Management Systems (*PMS*) to standardize the process of calculating and taking inventories of greenhouse gas (GHG) emissions at assets, as per the standard defined by the Company.
- In the industrial realm, various Smart Energy Management initiatives are currently being scaled up. These initiatives provide recommendations on how to reduce energy consumption at industrial assets through simulations and machine learning, thus achieving reductions in GHG emissions across the different phases of the production process. Further initiatives include apps which, once installed on a mobile device, allow workers to carry out tasks related to key processes anywhere within the production plant (prioritized management of steam leaks, scheduled checks, plant inspections, spot checks, safety checks, etc.). In relation to safety, Repsol has deployed a smart system known as *Asset Health* at the five refineries. This system relies on predictive tool maintenance models that integrate a large quantity of plant data with various failure prediction models, showing the user corrosion heat maps and the health of the equipment, thus improving its management and helping to avoid the risk of containment loss.
- Meanwhile, the Chemicals business has been working to improve the traceability of processes from start to finish, effectively reducing risks in the transport of potentially unstable mixtures and providing predictive models to anticipate possible quality impairment or optimize the operation of production units.
- At the Trading business, highlights include the implementation of an integrated ship Vetting management system and the automation of the incident management process for vessels. These initiatives have a significant impact on the safety of operations and the management of incidents and emergencies.
- On the commercial side, progress has been made in the deployment of applications based on sensorization, Artificial Intelligence and Cloud technology. A prime example is the *Smart Management* of energy, through tools that offer customers recommendations on how to make their home or business more energy efficient. Sensorizing different elements of Service Stations allows us to optimize the management of our assets and improve the customer experience. And in the residential segment, highlights include the development of energy management solutions like Solmatch, which champions the distributed generation of electricity at consumption points through the design of solar communities in urban centers.

The Company is also promoting the use of the Repsol ARiA Data Analytics Platform, which acts as an enabler of digital products for the different businesses by providing a huge knowledge base in the form of data and analytical models, all hosted in the cloud.

Another driver of digital transformation that will impact sustainability is the development of robots to ensure safe operation by reducing exposure to employee hazards during routine maintenance work or operations, and keeping the handling of hazardous substances to a bare minimum.

GSP 2021

2022 Objective: Champion new digital solutions that will contribute toward efficient and sustainable energy generation.

In **2020** **+250** digital initiatives, **105** of them directly impacting sustainability

External recognition: Repsol has launched an ambitious digital transformation program that has been making essential contributions to its business model.

MIT Sloan Management Review

Digital initiatives with an impact on Sustainability

Affordable and non-polluting energy

READS
Tool for assessing and quantifying impacts on natural capital and making them part of the decision-making process

Solmatch
100% sustainable energy model that will pave the way to distributed or decentralized generation in Spain

Source of your energy
Empowering electricity consumers by allowing them to choose the source of their power

Decent work and economic growth

Repsol workplace
Inclusive working environment

Road-rail
Reducing people's exposure to the product when loading trucks or trains

e-permit to work
Digitalization of work permits to enable better control by control room operators

Repsol Digital Girl
Driving economic growth, equality and integration by fostering female talent in STEM disciplines

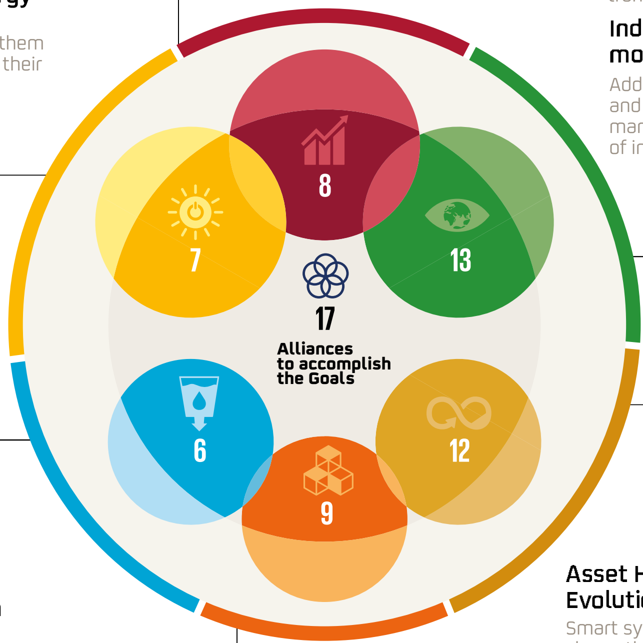
Climate action

SMART energy management
End-to-end optimization of how energy is used

HEAT X
Efficiency energy transfer

Industrial mobility
Added safety and more efficient management of incidents

ElIoT
Makes all elements of service stations smarter and more efficient through sensorization, which not only optimizes the management of the assets but also improves the customer experience, focusing on energy efficiency



Clean water and sanitation

Vetting
Integrated ship Vetting system enabling verification that the ships meet applicable regulations for each voyage

Emergency Response Process
Automation of the ship incident management process so that decisions can be made in response to any threat to people, safety or the environment

Industry, innovation and infrastructure

Cognitive Challenge
Co-creation of Advanced Analytics ideas

ARIA
Repsol platform enabling the use of Big Data and Artificial Intelligence

Responsible production and consumption

Asset Health Evolution
Smart system that shows the user information on the health of the asset in the form of heat and corrosion maps, thus improving asset management and preventing the risk of loss of containment

wible
Enhanced user experience to promote sustainable mobility

Diesel and gasoline Blending Optimization
Blending optimizer for DMC systems to reduce consumption involved in Electricity and Gas product reprocessing

Crude Oil Blending and Agile Scheduling Tool
Optimization and scenario management helps respectively, to select crude oil and schedule products in response to prevailing demand

8.4. People

Employees

24,125

Gender indicators

37% women at the company

31% women in leadership positions

51% of new hires are women

Nationalities in 31 countries

79 nationalities

Direct hiring of employees with different disabilities

527 People

2.42% LGD España

Learning

84.9% of employees have received training

Performance

81.5% of employees have been assessed

Volunteering

1,400 Employees took part in International Volunteering Week

1,908 Total number of employees who took part in volunteering actions

Degree of employee satisfaction

82% with the support received amid the pandemic

Employees teleworking

3,847

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

8.4.1. Human capital[1]

Repsol is a global and diverse company, with engaged and enterprising talent that works as a team and is able to make an exceptional contribution in the unusual circumstances we are currently witnessing.

In 2020, marked by the COVID-19 context Repsol's main priorities have been to manage the crisis caused by the health situation and the accompaniment of the Company's Resilience Plan in the management of workforce and personnel costs, while continuing to respond rapidly to the new challenges relating to talent management and ensuring organizational agility.

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

The health crisis and deployment of Repsol's Resilience Plan

Repsol has activated a series of measures throughout the year aimed at safeguarding the health of employees without affecting the continuity of the operations or the service provided. Different initiatives have been rolled out through the COVID-19 Coordination and Monitoring Committee, headed by the People and Organization area with members from the Business Units and various Corporate Divisions. The committee is entrusted with the following key tasks:

- Defining prevention measures and protocols to be implemented in the different countries and work centers.
- Compiling epidemiological data and continuously monitoring and analyzing the impact of COVID-19 on employees.
- Regularly informing employees about prevention measures, the evolution of the pandemic, solidarity actions, etc.

Measures in place to ensure health and productivity:

- activating new working shift approaches in the industrial facilities
- keeping service stations open, based on the safety and service requirements prescribed by the competent authorities
- ensuring the agile deployment of remote working for employees not working in an industrial site or service station, without impacting their performance
- overseeing a safe and orderly return to work, guaranteeing that the biological capacity is not exceeded and providing individual protection measures

The health crisis has also had a significant impact on labor relations and productivity, as the restrictions have prevented employees to access their work sites. This has called for rapid and urgent digitalization and the need to implement remote working arrangements. In addition, Repsol has been adapting and responding rapidly to the constant legislative and labor regulation changes emerged in the different countries.

In June, all employees were asked to complete a **global survey** to find out their views on how the COVID-19 crisis was being managed. Notably, the survey revealed widespread satisfaction with the management of the health crisis (82%), along with an improved perception of the Company and a positive assessment of the people management activity carried out over the period.

Protect employment has been a priority for Repsol within the crisis situation and under the framework of actions to accompany the Resilience Plan of the Company, guaranteeing proper management of the operations as well as productivity, and maintaining personnel costs stable.

Average staff costs[1] per employee amounted to 69.9 thousand euros in 2020 (72 thousand euros in 2019). Total spending on social benefits has been 103.6 million euros in 2020 (115.6 million euros in 2019), of which 78% took the form of healthcare and pension fund contributions.

Organizational streamlining and adoption of new ways of working

Repsol is committed to a flatter and more flexible organization to make us more agile and enable more efficient management. It is also seeking to combine on-site and remote work via a digital environment that favors productivity and a healthy work-life balance and is based on trust, collaboration and results-based recognition.

During 2020 the Company has continued with the transformation agenda focusing on the following elements:

- Supporting the deployment of transformation processes that have resulted in flatter and more flexible structures and marked an important step toward a new mentality in our approach to work. These processes have impacted 1,282 people and have led to a 72% improvement in the span of control of the transformed areas.
- Deployment of the Digital Workplace, which defines different actions to promote new ways of working on three fronts: people, workspaces and use of technologies and digitization. The mobilization of a network of drivers of the digital transformation, comprising more than 300 people from different
- departments and businesses, has been a key element.Training 1,847 people in Agile & Lean methods and practices to instill good behaviors.

1. Corresponds to staff costs/staff benefits based on the accumulated average managed workforce (including Societat Catalana de Petrolis, S.A.). Personnel expenses include social security costs and other expenses except severance pay, director's remuneration and travel expenses.

Thanks to the Company's proactive efforts a consolidated labor framework was available with a robust level of digital maturity suitable to quickly flex and combine of remote and face-to-face work in those jobs suitable for this practice.

In the last 10 years Repsol has been gradually implementing remote work by applying a mixed model that alternates physical presence and remote work for qualifying job positions. In 2020 remote work requested by employees has increased by 27%.

Strategic Talent Management

Repsol fosters talent and leadership as strategic drivers, favoring an **inspirational and entrepreneurial** style of leadership that involves motivational and anticipatory people management.

In 2020, the Company launched its executive development roadmap, which associates specific development actions for executives according to their career stage. The global Mentoring plan for 2021 has also been approved. Both actions support the Company's new Strategic Plan.

The launch of the People Analytics practice, which advocates a culture of data-driven decision-making, allows for a more strategic form of talent management. This also includes workforce planning (*Delfos*), which, based in businesses forecasting needs and strategic challenges, as well as the context and industry evolution, will enable Repsol to project and anticipate staffing needs, required profiles and future capabilities.

Repsol's development model is based on a new model of generic skills to be applied to recruitment, internal mobility, training and talent assessment processes. These processes have been reviewed and streamlined with the overriding aim of improving the **employee and manager experience**.

The Company's transformation has also entailed the need to **adapt people to the new profiles and needs of the businesses**. In doing so, the Company has relied on mobility where career opportunities have been spotted and on professional reorientation or reskilling programs.

This year, the prevailing climate has **led to an exponential increase in synchronous training** (on-line) delivered through **virtual spaces**, involving the technological adaptation of both learning content and trainers. Repsol has a digital platform where employees can create their own learning path and pick their own preferences and hear recommendations. In 2020, participation in online training activities experienced a significant increase, driven by digitalization and the prevailing climate. A significant percentage of the training was focused on learning COVID-19 safety protocols, raising awareness of the Code of Ethics and Conduct, learning about compliance requirements and cybersecurity measures, and developing skills to support the roll-out of the new ways of working, digitalization of the job and remote team management.

For business units, training has focused on supporting business continuity and deliver specific programs to adapt employees profile to new business needs (reskilling) and strengthening specific skills to create experts and specialists (upskilling).

Repsol is committed to the **employability of young talent** and has signed scholarship agreements with educational authorities and training centers in Spain to welcome dual vocational training students and interns to our industrial plants, *Technology Lab* and Campus. In November, for instance, Repsol was an ambassador of European Vocational Skills Week 2020.

Within the framework of the ***Employer Branding*** think tank, Repsol has been recognized by the *Webranking* by *Comprend* as having the best Spanish corporate website in 2020, thanks to the way it presents the Company and what working there truly means.

Repsol was also one of only five Spanish companies to make *The World's Best Employers 2020* ranking of Forbes USA.

As stated in its Code of Ethics and Conduct, Repsol is firmly committed to **equal opportunities and to diversity and inclusion** as differentiating elements on the path to becoming more competitive. These principles will be the product of mutual learning experiences based on the principle of equality and non-discrimination. The Diversity and Work-Life Balance Committee, comprising the by Company's top executives, promotes **inclusive diversity** whereby employees can unlock their full individual potential.

Repsol is committed to gender equality with the main aim of harnessing all the talent available to be found within society. This commitment extends

GSP
2021

2025 Objective:
Achieve a 35% increase of women in leadership positions.

GSP
2021

2025 Objective:
Go beyond the legal requirements in terms of professional opportunities for people with disabilities.

to the highest standards of the Company and translates into **a target for 2025 of 35% women in leadership positions.** Repsol continues to work toward gender parity and in reducing the gender gap through recruitment, promotions and appointments of executive leaders.

Repsol took part in last November II ClosingGap Economic Equality Summit, where challenges to fight against the gender gap were defined adopting the first toolkit to bridge the gaps gender in Spain, including about 300 good practices and presenting a tested specific roadmap focus on harnessing female talent as a driver of growth.

The energy industry is in a key moment, it is a priority to promote female talent in the technical disciplines of Science, Technology, Engineering and Mathematics (STEM), supporting initiatives such as scholarships or participation in events that serve as a reference.

For the second consecutive year Repsol has being included in the prestigious international indicator on gender equality Bloomberg Gender-Equality Index (GEI). The Company improved in inclusive culture, transparency and quality of data and support for female leadership.

In Spain, Repsol is a benchmark company when it comes to incorporating people with disabilities into the labor market through its responsible purchasing policy, accessibility policy at the work centers, and also through its employability programs. It also aims to broaden the scope of its actions in other countries.

Following the accessibility study held at the headquarter offices in 2018 with the aim of diagnosing the level of accessibility of the environment, services and management, a new project, still under implementation, for Campus Accesibility was designed for 2019-2021.

For the first time at the Company, a framework of action has been created to cover initiatives aimed at the inclusion of the LGTBI group, through the CEO's signing of the **Standards of Conduct for Business on Tackling Discrimination against LGBTI People**, promoted by the United Nations and promulgated in Spain by the Ministry of Foreign Affairs. Further highlights include the 2020-2025 Sustainability Plan for communication, awareness-raising and training initiatives to promote an LGTBI-inclusive environment, as well as the creation of the LGTBI Allies group, which in 2020 had around 40 members in Spain, Brazil and the United States, among other regions.

Repsol, in a clear show of its commitment to people, continues to implement flexibility and work-life balance measures in different countries, with the teleworking program being one of the most popular initiatives among employees. In 2020, there was a 27% increase in employees requesting telework to reach 3,847 (2,790 in 2019).

There are other measures in place such as paid and unpaid leave (prescribed by collective bargaining agreements or by country legislation) and the deployment of different assistance services to help both men and women to work-life balance.

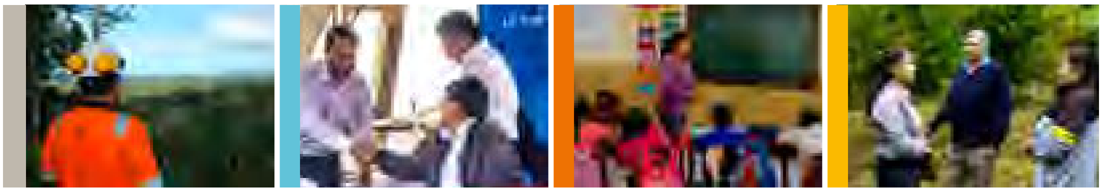
Numerous initiatives are also being developed and informative campaingns are held to reinforce the digital disconnection protocol, signed with trade union representatives and incluíden in the collective agreements, to encourage a reasonable use of new technologies and to promote a culture that, based on the principle of respect, continues to promote employee well-being.

Repsol is committed to a **compensation system** that seeks outward co mpetitiveness 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, in addition to a flexible remuneration system in some countries that include, for example, the Stock Purchase Plan and other items such as childcare, health insurance and additional contributions to the pension plan.

In 2020, the Company pegged its variable compensation scheme to the Group's adjusted net profit, balancing this impact accordingly across the various areas and businesses by defining a single Company-wide target. These adjustments to the compensation model are aligned with the 2020 Resilience Plan.

Meanwhile, a stock purchase plan was launched in 2020 for all employees ("Tu Repsol" plan), enabling all workers to become shareholders of the Company under preferential terms and conditions.

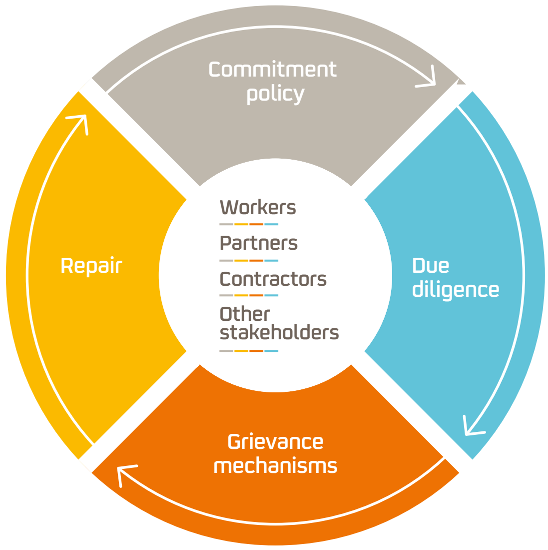
Due diligence management model



Preliminary phases ahead of the project

Project performance

Project abandonment



Continuous improvement of the system is ensured by learning from the different phases of the due diligence process and from its grievance mechanisms and by lessons learned from the Company's external and internal partners.

Due diligence

- Context analysis
- Risks and impacts management
  - Identification
  - Assessment
  - Mitigation and repair
  - Monitoring
- Communication of results

Grievance mechanisms

- Legitimate
- Accessible
- Predictable
- Equitable
- Transparent
- Rights-compatible
- A source of continuous learning

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

8.4.2. Community Relations and Respect for Human rights[1]

The respect for human rights is a priority for Repsol across all 31 countries where the Group operates, with compliance with the highest international standards. Our respect for human rights is based on two central pillars: political commitment at the top level of the Company and excellent performance in day-to-day operations.

To ensure this level of performance, Repsol relies on human rights due diligence as the most suitable management model for internal processes, with the aim of identifying, preventing and mitigating the negative impacts of the Company's activities. Besides, the Group's grievance mechanisms help to spot and repair possible violations of human rights.

The Company's purpose is to build and maintain strong relationships, based on recognition, trust, mutual respect and shared value with 100% of the communities within the area of influence of its projects and assets. It has also pledged to maximize the positive impacts of its operations and minimize or mitigate any negative impacts.

Commitment policy

Repsol's Human Rights and Community Relations Policy has been fine-tuned since it was created in 2008 to keep up with the highest international standards. It represents the formal commitment of top management and steers the Company's endeavors in this area. While the policy is fundamentally based on the UN Guiding Principles on Business and Human Rights, it also complies with other relevant standards, including the OECD Guidelines for Multinational Enterprises, the International Finance Corporation (IFC) Performance Standards and the 10 Principles of the Global Compact. In the special case of indigenous

GSP

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

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

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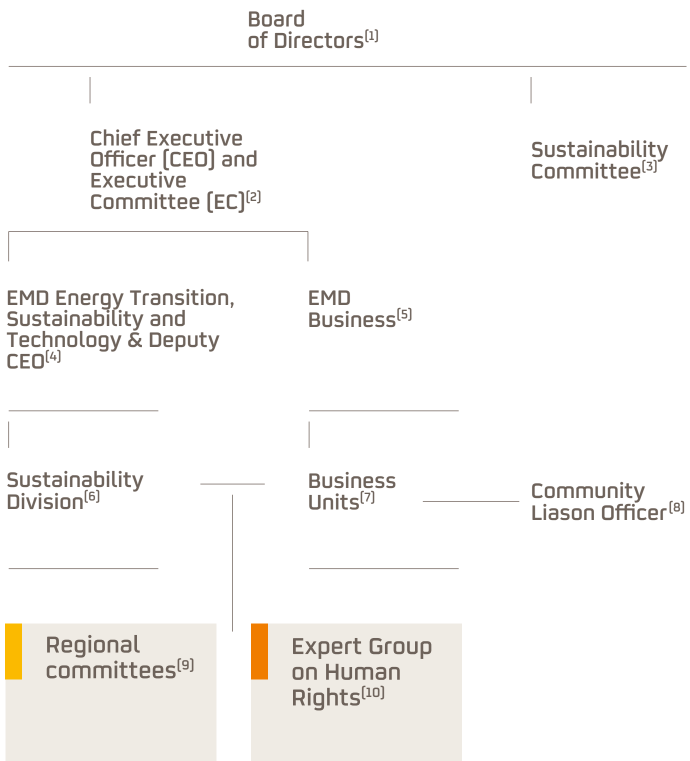
Ambition:
Guarantee people's security with full respect for human rights.

Governance

Governance in Human Rights



1. Approves the Company's human rights strategy.
2. Approve human rights policies and oversee the effective implementation of the strategy. They also manage critical claims as part of the Crisis Committee.
3. Periodic monitoring of strategy and compliance with human rights action plans and objectives..
4. Works alongside the businesses and corporate functions to coordinate and develop the sustainability strategy and monitor action plans.
5. Steers and implements the human rights strategy across the different businesses.
6. Carries out strategic analysis, coordinates and provides technical support to the businesses.
7. Deploy the strategy at each business unit.
8. Link between the communities and the Company in their operations.
9. Share good practices and address material issues in our operations.
10. Coordinates the global strategy with the businesses and cross-cutting areas.

communities, Convention 169 of the International Labour Organization (ILO) governs Repsol's actions in this field.

This commitment spans the entire life cycle of the Company's operations and promotes compliance with the highest international standards among employees, contractors, suppliers and partners. Repsol actively participate in international initiatives, such as IPIECA, in partnership with other companies in the sector. The corporate and business teams actively participate in the working groups. Notably, Repsol is vice-president of IPIECA's Social Responsibility working group.

It is worth noting that for the second straight year Repsol comes within the top quartile of companies operating in the extractives sector in the **Corporate Human Rights Benchmark (CHRB)**.

Due diligence management model

Human rights due diligence lies at the heart of Repsol's management model, which embraces the main international principles in this realm and is deployed in the Group's Community Relations and Human Rights Standard, in force since 2013 with various updates.

The Company's management model has an anticipatory approach that focuses on identifying and mitigating the risks and impacts associated with its activities and on seeking out opportunities, with a commitment to prevention and ongoing dialogue with all stakeholders. It is applied throughout all stages of the life cycle, from the prospect analysis of assets to be acquired by the Company to the abandonment phases. This process involves all stakeholders: contractors, partners, employees, etc.

The due diligence model emphasizes the economic, social and cultural context analysis in the countries in which Repsol operates. This prior analysis allows us to reach a better assessment of the potential impacts and risks and, through constant dialogue, to fulfil our commitment to maximizing the positive effects and minimize or mitigate any negative impacts. This participatory, proactive, constructive and universally accessible dialogue is the basis for building a relationship of trust with communities, sharing the identified impacts and management plans thereof with the local community to ensure total transparency.

The Social Investment Management Standard approved in 2019 and already in force at the Company consolidates the social investment strategy with the aim of assuring transparency and optimizing the positive impact of our social investment by creating shared value and contributing to sustainable development.

100% of operating assets are subject to local communities engagement strategies that lead to local development projects.

The Environmental, Social and Health Impact Assessment Standard, in force since 2011, seeks to ensure that an environmental, social and health impact assessment process is carried out for all Repsol projects and activities, in order to identify and assess potencial impacts and, if needed, deploy the necessary prevention and mitigation measures, involving stakeholders. Before starting a new project or activity, the business units run a preliminary analysis of the social, environmental and health context; legal requirements; identified potential impacts and the vulnerability of the local environment. The social impact assessment takes into account, among other matters, the right to land and its natural resources, the right to a healthy environment and the right to preserve the identity and culture of communities. Besides, Repsol has its own methodology for assessing human rights impacts since 2014.

All of the impact assessments conducted in 2020 included social and human rights aspects. There were 9 impact assessments conducted in 5 different countries during 2020.

Convention 169 of the International Labour Organization (ILO) governs the Company's actions in the special case of indigenous communities, whether or not this particular convention has been transposed into the national legislation of each country. Repsol recognizes and respects the unique nature of these communities and their right to free, prior and informed consent. Consequently, for each project, the level of consent of the indigenous peoples is evaluated. In any case, after both the potential impacts and the advisability of continuing with the project are assessed, a decision that would be taken by the Company's Executive Committee.

Operational-level grievance mechanisms

Most concerns, grievances and complaints from the Company's stakeholders relate to impacts of operations on nearby communities. It is therefore essential to have operational-level grievance mechanisms in place that are designed in collaboration with partners and other stakeholders.

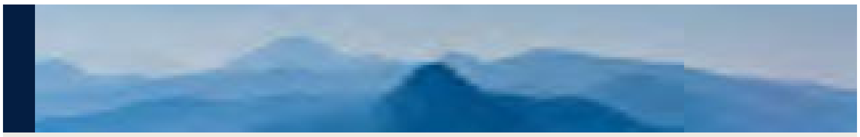
They are processes for voicing and responding to the concerns of the stakeholders affected. Such mechanisms help to reinforce a company's commitment to ensuring respect for human rights and are an essential part of the due diligence process. They also help anticipate and prevent potential negative impacts.

The nature of such mechanisms close to Repsol operations is special and unique to each setting and context. They are designed on the basis of well-informed participation, following the United Nations model.

To be considered legitimate, they must cater to the local circumstances, needs and languages of the area, thus making them accessible to all. That leads to an environment of trust and respect that makes it easier for employees, local residents and rights defenders to report complaints or grievances without fear of retaliation. Moreover, these operational mechanisms are no impediment to judicial or extra-judicial proceedings, and nor do they affect the legitimate and peaceful activities of human rights defenders.

If the operations of the Company or of its partners or contractors do generate a social or environmental impact, Repsol actively cooperates to repair it. Repsol includes human rights clauses in contracts with partners and suppliers, conducts social audits and provides support with awareness-raising activities to ensure due diligence on both human rights and grievance mechanisms.

In 2020, 72% of all complaints received during the year were resolved.



Triple-impact investment: Repsol Social Impact seeks to invest in and grow companies that are focused on energy transition and the inclusion of vulnerable groups in Spain and Portugal.

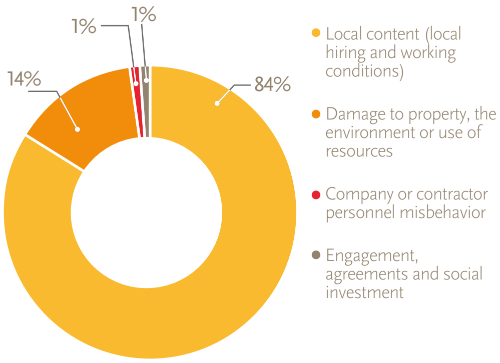
Repsol Social Impact is wholly owned by the Repsol Foundation. It seeks to support a sustainable energy transition and create opportunities for vulnerable groups through a network of economically sustainable companies that generate a social and environmental impact in Spain and Portugal. These companies focus on the following activities: emissions reduction, sustainable mobility, circular economy, energy efficiency and eco products and services. These companies must also champion social development by enabling or generating employment opportunities for vulnerable people or those at risk of exclusion.

Repsol Social Impact already holds interests in: the Sylvestris Group, dedicated to reforestation; Koiki, dedicated to sustainable last-mile delivery of packages by vulnerable people; GNE Finance, specialized in eco-sustainable urban rehabilitation in vulnerable environments; SAEMA, focused on the recovery and recycling of plastics and packaging; and, together with Ilunion, Recycling4all, which is engaged in the large-scale industrial recycling of electrical and electronic equipment.

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

8 DECENT WORK AND ECONOMIC GROWTH

Types of complaints received in 2020



Economic impact on communities and shared value

The Company assesses opportunities that generate positive impacts and enhance the shared value when undertaking the projects, avoiding future dependencies. Sustainable socio-economic development derived from sound planning based on dialogue and consensus with local communities is a key priority and determines the scope of the investment.

In 2020, social investment came to 37.8 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 sensitive or conflict areas through working procedures that ensure respect for human rights. Repsol requires private security companies to ensure that all employees who work at Repsol facilities are trained in human rights.

Repsol contractually requires all of its supplier security companies to undergo training in human rights policies and procedures. Repsol offers corporate security courses on human rights to ensure that all contracted security personnel receive this training.

In 2020, the total number of security personnel trained by the organization amounted to 670. Of these, 547 were attached to Private Security Forces and 76 to Public Security Forces, while 47 were employees trained in specific subjects upon request. This means that 100% of the Security Forces that provide services to the Group have received training in human rights policies or procedures.

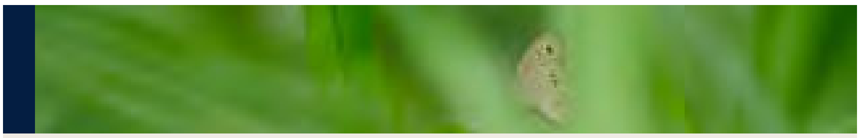
Human rights	2020	2019
Number of employees trained in human rights (online)	857	207
Number of training hours in human rights (online)	753	255
Contracts with security firms that include human rights clauses (%)	100	95
Security providers evaluated according to human rights criteria (%)	100	100

8.5. Safe operations[1]

8.5.1. Safety Management System

Repsol's Health, Safety and Environment (HSE) Policy is the main framework for action, insisting that all these components are essential values of the Company and must therefore govern all its activities. This policy sets out the commitments in this matter, that cover all areas of management: leadership and culture, proactive risk management, making health and environment concerns part of operational processes, chain of command, accountability, setting objectives and targets for improvement and communicating with stakeholders.

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 we hold a controlling interest or control over operations. In particular, in the realm of security, this includes data from contractors that provide services under a direct contract.



Repsol's approach local communities amid the COVID-19 pandemic

One of the Company's main objectives during the COVID-19 pandemic has been to avoid contagion among local and indigenous communities and to ensure due respect for their rights. Here are some of the extraordinary measures undertaken to address most of these vulnerable groups:

- Launching prevention campaigns in the local languages of the communities.
- Reducing the number of employees and contractors working at blocks where vulnerable indigenous communities are present.
- Carrying out comprehensive preventive health checks.
- Coordinating medical and social action with local governments and authorities.
- Reinforcing communication mechanisms and communication so that local communities can raise their concerns related to COVID-19.

The safety management system is designed to meet two complementary objectives: (1) ensure compliance with common company requirements across all operations; and (2) pay particular attention to the diversity of businesses, countries, activities and business relationship models that need to apply those requirements (for more information, see *Appendix III – Safe operation*). This management system therefore comprises three core elements:

- A set of internal regulations, fully aligned with the highest international standards and good practices, which sets the requirements for Company operations throughout their life cycle and supports standard safety and environment risk management processes throughout the Group. This set of regulations comprises the HSE Policy and specific regulations for each of the key aspects of safety management: risk management, incidents, transport or asset integrity, among others.
- A process of regulatory and procedural development to all businesses and assets, which not only ensures compliance with corporate requirements but also encompasses all necessary features arising from the specific nature of each activity, business relation, commercial and trade relations models and specific legal requirements, both national and local.
- Certification, verification and assurance processes to ensure the effectiveness and efficiency of all the above. The Company has adopted the three lines of defense approach. Therefore, all these processes are deployed across all three lines with complementary objectives in sight:
  - Audits to assure the quality of operational processes (e.g. work permits) are run from the first line of defense. This also includes pertinent external certifications[1] and verification in due course (OHSAS 18001, ISO 45001, etc.) at each of the assets.
  - The second line of defense features specific assurance units, which conduct audits that focus on the degree of implementation and compliance with regulations and internal procedures.
  - The third line of defense, particularly the Audit division, performs internal audits to ensure the efficiency and effectiveness of the entire system, as well as legal compliance. The reinsurers of the assets also conduct external assessments of the safety management system.

The Company focuses heavily on safety as part of its digital strategy and treats it as area to be developed. Repsol continuously explores and incorporates technologies and tools to reduce people's exposure to risk environments, facilitate the use of mobile apps or enable extensive analysis of available data in operations. Notable examples of these technologies include InWell Center (Integrated Well Center) for drilling activities, which utilizes Digital Twin technology and AI to improve drilling operations at remote locations; Track & Trace, which geolocates product transportation at the Chemicals and LPG businesses; and the implementation of Operational Risk Management platforms at several of the Group's businesses.

Meanwhile, one of the courses of action associated with the 2025 Safety and Environment (SEN) Strategy is now under way. It involves the systematic review of all tools associated with key safety processes (work permits, change management, barrier management or safety training platforms, transport safety, inspections and leak detection, etc.). For each of these processes, the current situation at all of the Company's businesses is analyzed, a survey of available automation and digital technologies is carried out, and the need to adapt existing tools and incorporate new technologies is assessed.

Repsol representatives are actively involved in the main trade associations on safety matters, such as IPSG (International Process Safety Group), IOGP (International Oil & Gas Producers) and CCPS (Center for Chemical Process Safety). This type of collaboration results in sectoral best practice manuals and guides, which are sponsored by these organizations and subsequently applied across the wider industry. In 2020, these mutual efforts focused on defining mechanisms to learn from normal operations, on analyzing the human element as a barrier, and on how to convert the lessons learned from public inquiries into actual company practices. A particular highlight here is Repsol's involvement in building a Process Safety Incident Database (PSID), whereby participating CCPS members can share their experiences and learn from one another.

1. These certifications are in force at all of Repsol's businesses with the exception of Upstream, which, due to its business strategy, only carries them out at those assets where they are a legal requirement.

GSP

a

Ambition:
Zero accidents, among both employees and contractor staff

8.5.2. Process safety

Repsol continues to deploy the Key Action Lines set out in its 2025 Safety and Environment Strategy, with actions spanning all aspects of safety management: people, facilities and processes.

In relation to the key line of process safety, Repsol has flagged operational excellence as one of the cornerstones that will enable it to achieve the goals envisioned in the Strategy. To achieve this, Repsol has been working to design, implement, manage and maintain safety barriers and critical processes to ensure the integrity of its facilities. International standards such as API, NFPA, ISO, EN, IEC, IOGP or CCPS are applied.

Repsol runs 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 improve and reduce the industrial accident rate at its assets.

Although 2019 culminated in the completion of the task of reviewing and streamlining all corporate regulations, thus completing the Company's set of safety regulations and covering all essential aspects, these rules and regulations are continually being updated. A prime example of this is the work carried out in 2020 to review the corporate regulations governing safety and environmental risk management throughout the life cycle of the Company's activities. These regulations set tolerable risk limits for business continuity and the review process prompted the Company to add further rules to regulate its new businesses and to extend the scope of the mandatory risk assessment studies.

Process safety is managed by monitoring key performance indicators that are aligned with the main international benchmarks (IOGP, API and CCPS). In 2020, the process safety indicator has increased by 13% over the previous year, although the result is below the 2020 target. The value of the indicator is in asymptotic values since 2016. Thus, the number of Tier 1 and Tier 2 incidents decreased compared to 2019, by 29% and 6%, respectively, and there was a drop in activity of 23%, which has COVID-19 as its main cause.

Process safety indicator[1]	2020	2019
PSIR[2] TIER 1 + TIER 2	0.62	0. 55

(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 accidents per million process hours worked.

8.5.3. Spill management

Spills	2020	2019
Number of hydrocarbon spills (>1 bbl) reaching the environment	23	25
Oil spills (>1 bbl) reaching the environment (t)	16	79

In 2020, there were two relevant spills during the production process at the E&P business. The first was an eight metric ton spill of untreated production water in Canada, while the second was a 6 metric ton spill of production fluid at Eagle Ford. Appropriate measures were taken for the remediation of the affected area in all cases.

If a spill occurs in spite of all the preventive measures put in place, early detection and minimization of the impact on people and the environment becomes a priority. The Company has the necessary human and technical resources. Once the spill has been brought under control and the damages have been remedied, further preventive actions are put in place to avoid any recurrence.

In the event of marine spills, and in addition to its own response resources, Repsol has contracts in effect with the world's leading companies to assure a swift response by external specialists and equipment (Oil Spills Response Limited – OSRL, including access to the Global Dispersants stockpile, Wild Well Control, Helix, etc.).

8.5.4. Occupational safety

The Company's ambition of "Zero Accidents" focuses on the safety of people when carrying out its activities. The Company works in reducing personnel accident rates alongside the most affected stakeholders: employees, contractor and suppliers (for more information, see *Appendix III Safe operation*).

Main personnel safety indicators(1)	2020	2019
Lost Time Injury Rate (LTIF) (2)	0.81	0.86
Lost Time Injury Rate for employees	0.71	0.79
Lost Time Injury Rate for contractors	0.92	0.91
Total Recordable Incident Rate (TRIR)(3)	1.11	1.24
TRIR for employees	0.85	1.02
TRIR for contractors	1.40	1.42
No. of employee fatalities	0	0
No. of contractor fatalities	0	1
Number of safety training hours	287,452	260,872

(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 and with days lost) during the year, for every million hours worked. Includes company employees and contractor staff.
(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. Includes company employees and contractor staff.

Repsol has a corporate standard that sets out a standard methodology for logging and managing incidents, improvement actions and lessons learned at the Company. All employees are required to report any incident they encounter or witness. All such incidents must be recorded in the corporate tool and an inquiry process is then opened to identify the root causes, propose improvement actions and lessons learned. This standard extends to 100% of the companies in which Repsol has a majority stake or control of operation. Incidents affecting contractors that provide their services under a direct contract are also recorded.

The Company has set targets for reducing TRIR since 2014.

In 2020, the TRIR indicator was down 10% on 2019, as the number of incidents counted in this indicator fell by 24%. Hours worked were down 16% versus 2019 hours due to the impact of Covid 19. The greatest impact is observed in the period that includes the most severe period of the pandemic (January to June) and the summer period, with a 53% decrase in these incidentes compared to the same period in 2019.

At Repsol, occupational safety indicators are reported in accordance with the internal Incident Management Regulation, which is based on international standards (IOGP and OSHA). Incidents are classified according to the severity of both their actual and potential consequences.

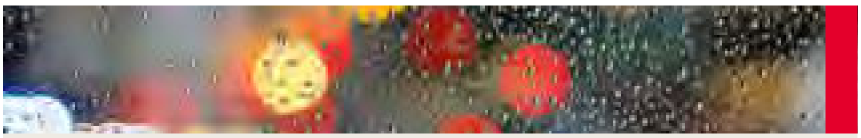
Ocuppational safety acording to severity of consequences(1)	2020			2019
	Men	Women	Total	Total
Very serious	0	0	0	1
Serious	2	0	2	1
Moderate	57	11	68	80
Minor	20	3	23	41
Trivial	2	1	3	4
OVERALL TOTAL	**81**	**15**	**96**	**127**

(1) As of 2020, the incident management system will be able to break down incidents by gender.

To minimize the risks that can cause harm to the people involved in Group operations, the Company has established 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 necessary tools to reduce exposure to risks when performing their work.

8.5.5. Safety culture

Continuous improvement in Safety Culture is a key element in preventing major accidents and in achieving the target of ensuring "zero accidents". Therefore, the Company continues to deploy



Scaffolding safety improvements

Working at heights is one of the 10 basic safety rules put in place by Repsol to promote a safe working environment when carrying out its activities. This particular rule insists on the use of approved scaffolding, platforms and ladders, among other requirements.

Over the past two years, the Engineering Division has led a project to detect possible safety weaknesses in the design, assembly and use of scaffolding used at the Company's facilities. The main manufacturers and assemblers working for Repsol have been involved in this process.

During this time, specific risk analyses have been carried out jointly, as a result of which corrective measures have been identified and implemented to prevent incidents from occurring. These measures affect the design of the equipment and have been validated by the construction area attached to the Engineering Division and are now in the process of being developed and produced by the manufacturers; and also the development and updating of assembly instructions and related training processes, which the manufacturers themselves will provide to the personnel of the assembly companies.

This initiative is a clear example of Repsol's teamwork with contractors and in this regard the Company has played a central role as a promoter and catalyst of a safety improvement project, with a clear effect both on and off the Company's facilities.

specific safety culture diagnostics across all its different assets and businesses. Since the program's inception in 2015, more than 20 safety culture diagnostics have been carried out at different businesses of the Company. More precisely, in 2020, the areas of Supply and Distribution Peru, the Network of Licensed Service Stations in Spain and the Marcellus business unit in North America in the Upstream business were all diagnosed. In addition, diagnostics are currently under way at Eagle Ford (United States) and Canada, both in the Upstream business.

These diagnostics will generate aggregated information at company level and at the same time lead to the implementation of specific improvement actions at the diagnosed asset or business. These findings can then be used to identify common weaknesses and improve the way they are managed.

A prime example of this is where the Company identifies the need to train key personnel, focusing on the need to consider human and organizational factors in security-related processes (e.g. incident investigations or design of critical procedures and tasks). The following line of action is therefore being pursued to identify and train these key personnel:

- Incorporation of Human Factor Analysis Tools (HFAT). In 2020, 23 experts received training and therefore already have new skills in how to make the human factor part of the investigation process.
- Agreement with the EI/CIEHF (Energy Institute / Chartered Institute of Ergonomics & Human Factors) to certify qualifying technicians as human factor specialists. So far, 300 licenses have been arranged for the introductory course titled "Human Performance for All". Some of these technicians will continue their training until they are certified as specialists.

In the firm belief that leaders have a key role to play in the positive evolution of the Safety Culture, an ambitious global training program known as "Safety Leap" was launched in 2019. Despite the difficulties caused by the pandemic and the impossibility of holding face-to-face training events, the initial phase of the program was successfully completed in 2020, covering a group of more than 2,300 people (99.4% of the total number of leaders at the Company). To achieve this result, it was necessary to deploy virtual training sessions that faithfully reproduce the participant's experience. A total of 112 sessions were held during the period (91 face-to-face and 21 virtual), with editions held in 16 countries and a satisfaction rate of 4.64 out of 5.

The success of the program has prompted Repsol to extend its scope to other segments within the organization and to create a shortened online version available to all employees. Work has also been carried out to create bespoke versions for the different businesses.

8.5.6. Emergencies and crisis management

The Company does its utmost to prevent accidents, as described above. However, it must be prepared in the event that such incidents actually occur. Therefore, in addition to its prevention activities, the Company works on mechanisms to enable early detection and rapid, effective management of emergency situations.

Repsol continues to make progress in deploying and improving a comprehensive emergency and crisis response model that encompasses industry best practices and involves emergency management at facilities, businesses and senior management for the most serious cases, with specific support teams in place to ensure that the incidents are prioritized accordingly in each case and 24x7 coverage, if necessary.

The operation of this model is supported through the internal Standard on Crisis and Emergency Management, which requires frequent training activities, drills and exercises at all levels, including at least one annual crisis management drill at the highest level of the Company. Repsol has resources, technology and departments that are dedicated to crisis management support and training at its headquarters and at its offices in the various countries in which it operates.

The development of crisis response plans has proved to be invaluable in dealing with the COVID-19 pandemic, through the various methodologies and tools put in place and through the lessons learned during crisis management drills and exercises. They have also revealed new approaches and future courses of action that can be undertaken to ensure the continuous improvement of the Crisis and Emergency Response model. Although it has not been possible to have teams such as the Support Group meet face-to-face in the emergency and crisis response rooms, remote training activities and drills have been carried out to improve the remote management of crisis situations.

8.6. Responsible tax policy

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

Therefore, Repsol has a tax policy that insists on responsible payment of taxes through good practices when managing its tax affairs, along with transparent action and cooperative relations 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, allows us to be recognized as a company that practices integrity and transparency in our tax affairs.

Tax contribution and impact

In 2020, Repsol paid more than 9,180 million euros in taxes and similar government charges and filed close to 38,000 tax returns in more than 35 countries.

The global COVID-19 crisis has pushed down Repsol's income and business profitability, triggering a significant reduction in taxes paid in 2020. Details of payments by country, a summary of which is attached below, can be found in *Appendix III* to this report and at www.repsol.com:

€9,180mn

taxes paid by Repsol in the countries where it operates.

Taxes paid in 2020[1]

	Taxes paid [2]		Tax burden			Taxes collected				Profit	
Million euros	**2020**	2019	**TOTAL**	Income tax	Other income taxes	**TOTAL**	VAT	Hydrocarbons tax[3]	Others	**2020**	2019
Europe	**7.788**	10.554	**608**	111	497	**7.179**	2.234	4.521	425	**(854)**	881
Latam & Caribbean	**737**	1.163	**267**	43	224	**470**	176	244	50	**(362)**	12
Asia and Oceania	**337**	633	**302**	126	176	**34**	10	-	24	**(301)**	(331)
North America	**163**	167	**103**	5	97	**60**	(4)	-	64	**(1.723)**	(4.525)
Africa	**156**	535	**151**	127	24	**5**	-	-	5	**(48)**	146
TOTAL	**9.180**	13.052	**1.431**	412	1.018	**7.749**	2.417	4.765	568	**(3.289)**	(3.816)

(1) The information contained in this section on taxation and tax impact has been prepared as per the scope used in the Group's reporting model, as described in Note 4 "*Business information*" of the consolidated Annual Accounts for 2020, i.e. including joint ventures and other companies that are jointly managed in accordance with the Group's investment percentage, considering operational and economic indicators in the same perspective and subject to the same degree of detail as those for companies consolidated under the full consolidation method.

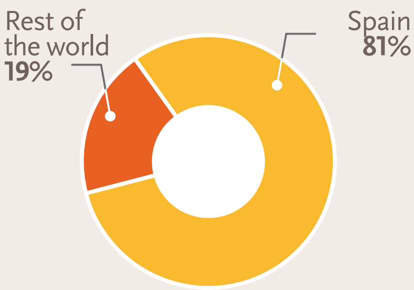
(2) Only taxes actually paid during the year are counted. For instance, taxes accrued during the period but that will be paid in the future are not included. Refunds from previous years are not included.

(3) Hydrocarbon tax. It includes what is received through the logistic operators when the Company is the ultimate responsible for the payment.

Important tax contribution by Repsol when it comes to environmental protection.[1]

€4,911 MN in 2020

€6,613 MN in 2019



(1) Includes both the tax burden borne by the company (taxes on electricity, contribution to the energy efficiency fund, hydro tax, taxes on electricity production in Spain –according to Eurostat criteria–, and the cost of CO2 emission allowances), as well as taxes collected from third parties (taxes on fuel consumption –according to Eurostat criteria–, some of which have a partial environmental component).

Repsol applies responsible tax policies and practices.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Transparency: Publication of the Country by Country Report

We voluntarily publish the Country by Country report (*CbCR*), which explains how we pay corporate income tax in the countries in which we operate. We also publish an extensive *Tax Contribution Report*, in which we explain all taxes paid.

In line with our commitment to transparency, further tax information can be found under "*Responsible tax policy*" at www.repsol.com

Accredited good tax practices

Repsol is compliant with GRI 2017 (see Appendix III) and has been named a radically transparent multinational (B-Team).

Good tax practices

Repsol is committed to effectively complying with best practices of responsible taxation and tax governance, through voluntary adherence to internationally accepted principles, guidelines and recommendations (B Team, GRI 207, or the OECD standard for tax risk control):

RESPONSIBLE TAXATION PRINCIPLES(1)		GRI 207
1 Responsibility and governance: Taxation is a crucial part of corporate responsibility and is supervised by the Board of Directors.	• The Board of Directors approves the Tax Policy. • The Board of Directors monitors enforcement of the strategy and tax risk management at least once a year. • The tax strategy can be found on the corporate website. • Compliance with the letter and spirit of the law. • The GSP includes tax objectives.	GRI 207-1
2 Compliance: Compliance with tax legislation and payment in due time in the countries where we create value.	• Regulations, internal control processes and whistleblowing channel to ensure compliance with tax obligations. • Tax Control Framework compliant with best standards and validated by an independent expert. • Tax risks part of the Enterprise Risk Management System, with medium low tolerance. • Internal procedure for setting transfer prices aligned with the creation of value and the arm's length principle. • Appropriate organizational structure and resources. • Professional team undergoing continuous training, subject to a common compensation policy and with a contingency plan for key positions.	GRI 207-2
3 Corporate structure: On commercial grounds and with genuine substance. We do not seek abusive tax advantages.	• Corporate structure aligned with the business and adapted to legal requirements and corporate governance standards. • Removing dormant companies from the corporate structure. • Non-use of special purpose entities in tax havens.	GRI 207-1
4 Cooperative relations (2): Development of corporate relations with tax authorities, grounded in mutual respect, transparency, and trust.	• Application of the Spanish Code of Best Tax Practices. • Voluntary submission of the report on tax transparency to the Spanish tax office. • Voluntary participation in the *ICAP*(3) of the OECD. • Classified as an Authorized Economic Operator in the EU and in Peru.	GRI 207-3
5 Seeking and accepting tax incentives: With a view to obtaining safeguards that they are transparent and consistent with the legislative and regulatory framework.	• Claiming and using tax benefits in compliance with the letter and spirit of the regulations. • Verifying that the incentives applied are widely available to all economic operators. • Supporting the publication of oil contract tax incentives.	GRI 207-2
6 Supporting an effective tax system(4): National and international dialog with governments, business groups and civil society to support the development of an effective taxation system.	• Founding member of the *EITI*(5) and adherence to its standards. • Collaboration with international organizations (OECD, UN and EU), governments and NGOs, taking part in debates and public consultation processes. • Participation in international responsible taxation and tax governance initiatives (B Team).	GRI 207-3
7 Transparency: Disclosing information on tax strategy and taxes paid.	• Pacesetters in Spain in terms of tax transparency according to various third-party reports. • Publication of tax payments by country. • Publication of the Country by Country Report following OECD criteria. • Detailed tax information available at www.repsol.com and in the annual reports.	GRI 207-1 GRI 207-4

(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). GRI-207 (Tax) guidelines have been taken into account.
(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 to promote transparent collaboration with the mutual objective of facilitating and improving the application of the taxation system, improving fiscal certainty and reducing litigation. For further information, see www.repsol.com
(3) International Compliance Assurance Programme: 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. The first *ICAP* program (pilot) covered financial year 2016 and lasted until 2018. The tax authorities of Spain, the United States, the Netherlands and the United Kingdom all supervise Repsol.
(4) Repsol is a member of several of the subcommittees created by the UN's Committee of Experts on International Cooperation in Tax Matters. Repsol also sits on the tax committee of the OECD's Business and Industry Advisory Committee (BIAC).
(5) Extractive Industries Transparency Initiative: initiative that seeks to ensure transparency within extractive industries. The *EITI* is the global standard for the good governance of oil, gas and mining resources. It ensures transparency with respect to how a country's natural resources are governed.

GSP 2023

Objective: Reduce presence in non-cooperative jurisdictions.

Presence in non-cooperative jurisdictions

Repsol is firmly committed to having no presence in non-cooperative jurisdictions, except for legitimate business reasons. Repsol's presence in these territories is immaterial (revenues accounting for less than 0.02% of the Group's turnover) and is not intended to hide its business activities or make them less transparent.

As part of its commitment to transparency, Repsol releases detailed information on its presence and activities not only in tax havens and non-cooperative tax jurisdictions, but also in other territories considered contentious for tax purposes by civil organizations, even though they may not be included on official lists. For further information, see *Appendix III* to this Report, or visit www.repsol.com.

8.7. Ethics and compliance[1]

Integrated Management at Repsol

Stages:

Prevention
Anticipating risks

Through a risk identification and assessment methodology that enables us to prevent risks and roll out mitigation measures.

Monitoring
Overseeing the model

Ensuring its effectiveness across all the different business processes and countries.

Correction
Reacting to non-compliances

By establishing and monitoring improvement plans and conducting investigations and/or audits.

Issues:

- Anti-corruption
- Crime prevention
- Data protection
- Competition
- Sanctions and embargoes
- Anti-money laundering and counter terrorist financing

Having a **self-surveillance model** prevents or mitigates potential liability in the event of a lega l breach

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 Conduct Code

Repsol's Code of Ethics and Conduct is approved by the Board, and applies to all Repsol directors, executive and employees, whatever the nature of their contractual relationship with Repsol. Our business partners, including non-operated joint ventures, contractors, suppliers and other third parties are an extension of Repsol, and for this reason they should act consistently with our Code, as well as any applicable contractual provisions, when working on our behalf or in collaboration with us. These business partners are also encouraged to develop and implement ethics programs that are consistent with our standards. 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 a web series format and focusing on anti-corruption, competition, crime prevention, data protection and workplace harassment. It also deployed a global training plan on basic ethics and compliance regulations that includes microlearnings on gifts and entertainment, conflicts of interest, anti-corruption and due diligence with third parties. The plan also included face-to-face or synchronous training sessions for the most exposed groups and further virtual sessions to optimize the use of the screening tool and to ensure a uniform and standard approach in accordance with the rules and regulations governing third-party due diligence norm.

Repsol has pressed on with its internal plan to raise awareness of the Code of Ethics and Conduct, and other Compliance matters, so as to continue reinforcing the global culture of compliance across the Group.

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

The Company has an Ethics and Compliance Committee tasked with managing the system for monitoring and ensuring compliance with the Repsol Group's Code of Ethics and Conduct. In accordance with the committee's own internal regulations, it is multidisciplinary in nature and comprises representatives from EMD Legal Affairs, People and Organization Corporate Division, EMD Communication and Institutional Relations and Chairman´s Office, the Audit, Control and Risk Division, Legal Services and CCO Corporate Division, and the Labor Relations, Labor Legal Affair and Occupational Health Division.

The Company also has an Ethics and Compliance Channel (ethicscompliancechannel.repsol.com), which is available 24 hours a day, seven days a week, and is managed by an external service provider. The channel allows employees or any third party to raise queries and/or report possible breaches of the Code of Ethics and Conduct or the Crime Prevention Model to the Ethics and Compliance Committee directly, doing so with absolute confidentiality or anonymity if they so wish and in any language. Specifically this year, 59 communications have been received through the Ethics and Compliance channel, of which 45 have resulted in an investigation, having been confirmed at the end of the year, 2 cases of minor significance under the type of harassment, which after the investigations have not been accredited, being really conflicts between employees and none of discrimination, corruption or violation of human rights.

Ethics and Compliance	2020	2019
Number of employees to have received online training in the Code of Ethics and Conduct[1]	19,688	18,395
Number of communications received through the ethics and compliance channel	59	66
Number of corruption mitigation controls (CPM)	438	432
Number of audit projects related to compliance with the Ethics and Conduct Code[2]	32	25
Number of ICFR controls to mitigate fraud	1,054	1,046
Number of serious and very serious offenses due to breach of the Code of Ethics and Conduct	169	373
Written warnings	5	10
Employment and wage suspensions	123	294
Resignations	-	-
Number of dismissals due to breaches of the Code of Ethics and Conduct	41	69

(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 for a total of 32 projects in 2020.

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 31 bis (2)(2) of the Spanish Criminal Code. Repsol's prevention framework and response mechanisms facing breaches of the Code of Ethics and Conduct or suspected or confirmed criminal offenses within the scope of the Repsol Crime Prevention Model are structured around its policies titled "Crime Prevention Model Management" and "Internal Investigations by the Ethics and Compliance Committee".

Repsol also has a Crime Prevention Manual to provide a clearer understanding of crime risk and explain the behavior expected of all employees, together with a global training plan, which in 2020 included face-to-face or synchronous training events for new executives, heads of industrial facilities and key personnel in different countries, as well as an online course aimed at those responsible for running and managing Crime Prevention Model controls and the whistleblowing channels for raising queries and reporting breaches in relation to the Crime Prevention Model.

Protection of fair competition

Repsol is firmly committed to complying with anti-trust regulations in all its spheres of action and in all countries in which it operates, making this a core element of Repsol's Ethics and Conduct Code. The Company believes in fair and effective competition on the market and we do not engage in inappropriate practices that might distort or restrict free competition. Nor do we seek to obtain competitive advantages through the use of unethical or illegal business practices.

Furthermore, the Company has opted to implement a competition compliance program to create a compliance culture by preparing materials, such as policies and protocols, developing a specific online course and delivering synchronous and face-toface training on anti-trust issues.

In addition, Repsol has an Ethics and Compliance Channel as already mentioned, among other resources, where any employee or third party can express its concerns or send any query regarding compliance with competition laws.

8.8. Supply chain and customers

8.8.1. Supply chain[1]

The sustainability of Repsol's supply chain necessarily responds to the expectations of stakeholders and compliance with ethical, labor, environmental, safety and social standards. It also fosters employability and worker rights among local communities and nurtures local economic development.

It is precisely this sustainable supply chain management that calls for greater transparency in the information disclosed in response to consumer demand, as well as the promotion of good practices among suppliers and contractors, who are required by the Company to comply with its Anti-Corruption Policy and minimum standards of human rights.

Suppliers and contractors must also observe prevailing law and regulations and the Group's good practices when working at Repsol work centers and facilities.

To anticipate risks and ensure efficient supply chain management, the following process is followed:

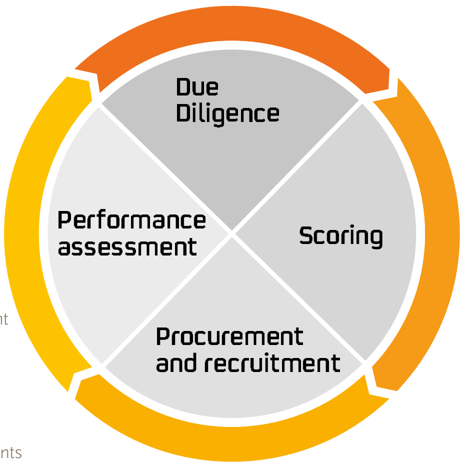
Supply chain risk management

Due Diligence

- Conducting exhaustive analyses of sustainability aspects during new supplier selection processes.
- Insisting that suppliers accept and comply with the Ethics and Conduct Code for Suppliers, as well as Repsol's Anti-Corruption Policy.

Performance assessment

- Assessing performance in the management of human rights and environmental and safety concerns over the term of the contracts signed with suppliers and upon termination.
- Applying corrective action if the required standards are not met or if the commitments assumed are not honored.



Scoring

- Periodic certification of suppliers
- Additional assessment of economic and technical aspects and quality, safety and environment concerns in high-risk activities
- Carrying out supplier assessment audits and social audits

Procurement and recruitment

- Relying more on safety and environmental criteria when appraising bids in relation to high-risk activities.
- Insisting that suppliers accept the general terms of contract of Repsol.

Environmental and social assessment of suppliers

In 2020, integrity, corruption and bribery aspects were assessed at 4,297 suppliers (5.733 in 2019) worldwide using the World Check One tool by Refinitiv (formerly by Thomson Reuters). These assessments revealed material information on 18 companies relating to international sanctions, judicial investigations for fraud and/or bribery, fines for anti-competitive activities or environmental damage, and relationships with politically exposed persons. Based on the results obtained, the purchasing areas conduct due diligence processes through specific analyses defined in Repsol's internal regulations, in order to mitigate potential compliance risks.

In 2020, a total of 28 assessment audits were conducted at suppliers located in Spain and Portugal to analyze matters relating to quality, ethics and conduct, safety and the environment. Due respect for human rights was also confirmed through on-site inspections, which revealed that the companies operating in Spain and Portugal do not present any major non-conformities, but are earnest and reliable companies with which a business relationship can be safely established.

Two social audits were carried out in 2020. According to the findings of these audits, no contracts were terminated during the year. Meanwhile, a total of 2,007 performance assessments at 1,056 suppliers and contractors were completed in 2020, appraising environmental, labor, social and integrity aspects.

1. This includes information on all Repsol Group purchases, except exceptional or special items that are already governed by the areas or departments concerned: Trading purchases, transactions between Group companies and engagement of the external auditor.

Risk management

Indirect economic impact

Local suppliers have the advantage of geographic proximity in supplying the Company's operations, thus allowing for greater flexibility and a shorter response time for all needs that are identified. Repsol creates indirect job opportunities on construction projects for new plants or extensions of existing facilities, as well as during drilling campaigns and when shutting down industrial complexes. The percentage of local labor, goods and services procured[1] accounted for 84% of total procurement in 2020. These purchases focused on medical services, logistics services (civil engineering, catering, accommodation, vehicle rentals and driver rental); warehouse and office lease service; IT support services, waste management and courier services.

Average payment period to suppliers

The average period for payment to suppliers for the Group's Spanish companies in 2020 was 28 days, below the maximum statutory period of 60 days established in Law 15/2010 of 5 July (amended by the second final provision of Law 31/2014), which establishes measures to combat late payment in commercial transactions. For further information, see *Note 18 "Trade and other payables"* to the Consolidated Annual Financial Statements.

8.8.2. Responsible management of customers

Safety across the product life cycle

The Company is committed to product safety as one of the cornerstones underpinning its actions. Safety is a constant present from the design and procurement stage through to the time the product is ultimately launched on the market and made available to consumers. Repsol relies on technology and digitalization to optimize process safety and design new consumer strategies, taking into account customer preferences and given that consumers are becoming increasingly knowledgeable about and interested in the source and manufacture of the products they acquire.

The starting point is to identify the possible adverse effects for people and the environment and to understand all possible uses of the product. From there, potential risks are assessed and the most appropriate measures decided upon so that the product is safe to handle and has no negative impact on customers, contractors and Repsol employees exposed to the risks of hazardous products.

1. In Repsol's view, a "local supplier" is a company 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.

Risk management

The Company's internal rules and regulations contain requirements and ascribe responsibilities to ensure the appropriate management of risks during the design and supply of produc ts, as well as those risks associated with the manufacture, handling, marketing and end use of the products, as these may affect the health and safety of people, facilities and the environment.

Communication also plays a key role in product safety. The Company is also responsible for ensuring the effective communication of product safety information to all interested parties. This communication mainly takes the form of digital or electronic documents drawn up by Repsol to communicate the risks of hazardous products.

Customer value management. Customer privacy[1]

Since the entry into force in 2016 of the General Data Protection Regulation (GDPR) and its effectiveness in 2018 within the European Union, Repsol has drawn up a map of theoretical data protection risks to the which the Company is exposed and has assigned the Group's Chief Compliance Officer to the position of Data Protection Officer (DPO).

In 2019, the DPO set up the Repsol Privacy Group, comprising representatives from business units and corporate areas, with the aim of championing and steering the necessary measures to achieve due compliance in relation to data protection and guarantee sustainable conduct over time.

The commitment to protect the privacy of customers, employees and business partners goes a step further at the Company. In compliance with the General Data Protection Regulation, a new Privacy and Personal Data Protection Policy was approved in 2020, along with a Personal Data Management Procedure to regulate the principles enshrined in the policy.

This new policy guarantees the fundamental right that the personal data of any person with whom Repsol has dealings be duly protected, ensuring respect for the right to honor, privacy and other fundamental rights and public freedoms throughout their life cycle.

Also in 2020, the OneTrust software suite was acquired as a platform for complying with data privacy regulations across all sectors and jurisdictions, including the EU GDPR and Privacy Shield.

1. This includes information on breaches of customer privacy and loss of customer data at Group companies operating in Spain and Portugal.

Substantiated complaints regarding violations of customer privacy and loss of customer data:

	2020
Total number of substantiated complaints relating to breaches of customer privacy	3
Complaints received from third parties and substantiated by the organization	0
Claims raised by regulatory authorities	3
Total number of identified cases of leakage, theft or loss of customer data	3

Managing customer claims and grievances

At Repsol, each Company areas that has commercial relations with customers has procedures in place for hearing and managing claims and queries so that they can be resolved in due course. Customers can be commercial (business to business) or household (business to consumer).

No matter the type of customer, claims or queries relating to sustainability issues are handled with the aim of minimizing or mitigating potential environmental and/or social impacts. The process for handling claims is as follows:

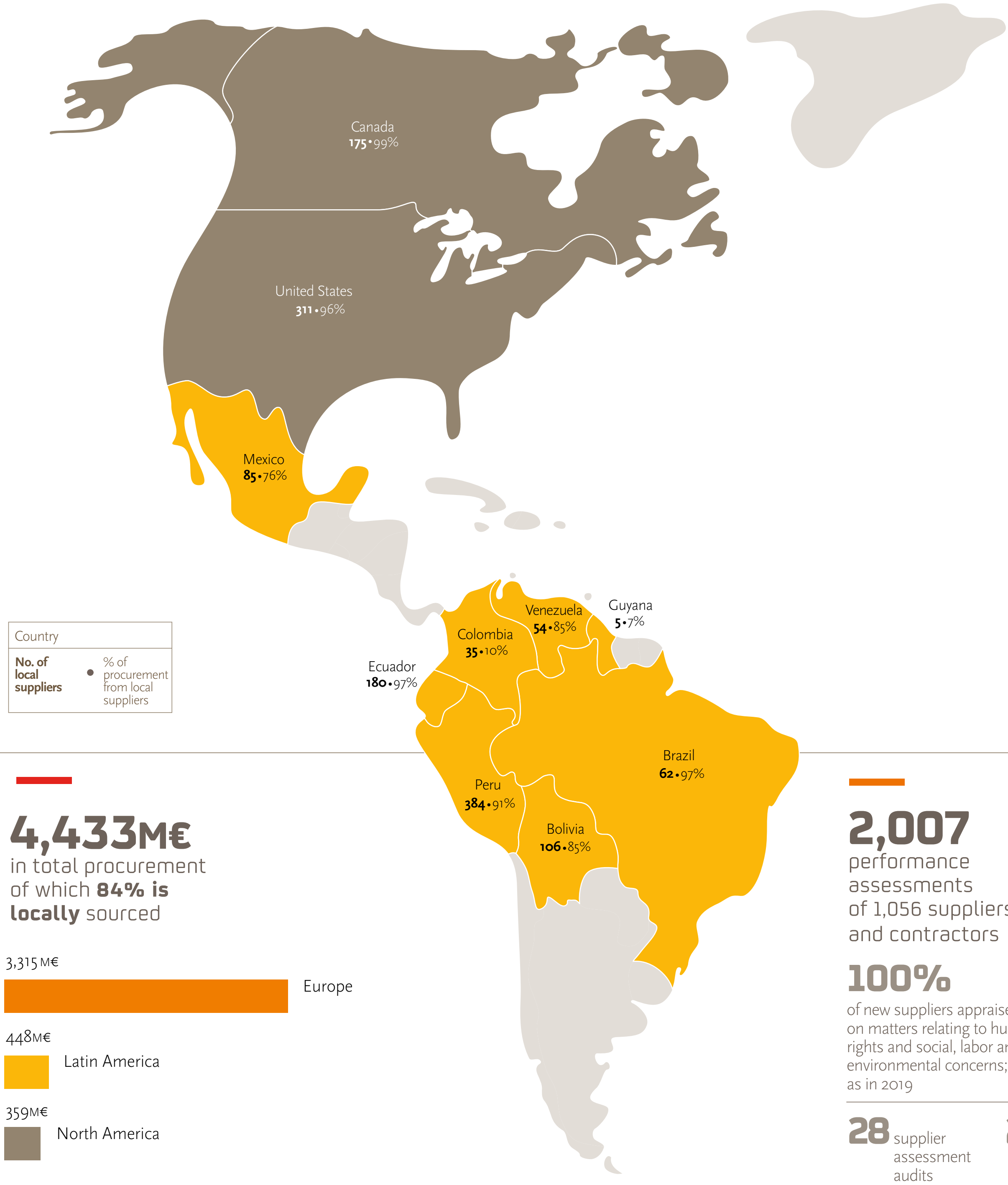
- Claim received through one of the various available channels: Customer Service, TSD (Technical Support and Development) technicians, sales department, etc.
- Claim recorded and assigned to the area responsible for handling and follow-up.
- Handling process: request for information made to the customer, analysis of the root cause, proposal and start-up of control, corrective and improvement actions.
- Verification of effectiveness of actions undertaken and closing of the claim.

Environmental Product Declarations (EPDs) for Asphalts

Repsol is the first European manufacturer of bitumen and bituminous emulsions to have obtained Environmental Product Declarations for its conventional bitumens, polymer-modified bitumens and bitumens with rubber dust from end-of-life tires, as well as for its cationic and anionic emulsions.

AENOR verified, in accordance with UNE-EN 15804 and UNE-EN ISO-14025, the analysis of the life cycle needed to obtain the environmental declarations for asphalt products.

The Environmental Product Declarations for asphalts are a response to the concerns of the Company's customers when it comes to meeting the new environmental challenges that society demands.



4,433M€
in total procurement of which **84% is locally** sourced

3,315 M€
Europe

448M€
Latin America

359M€
North America

299M€
Asia

12M€
Africa

0.4M€
Oceanía

In 2019, a total of **67** supplier assessment audits were carried out, **2** of them being social audits. A total of **2,605** performance assessments were conducted among **1,248** suppliers and contractors and **1,423** suppliers were scored. In 2019, total procurement came to **€6.39 billion** from **4,888** suppliers, **74%** of which were local, and **81%** of total expenditure went to local suppliers.

2,007
performance assessments of 1,056 suppliers and contractors

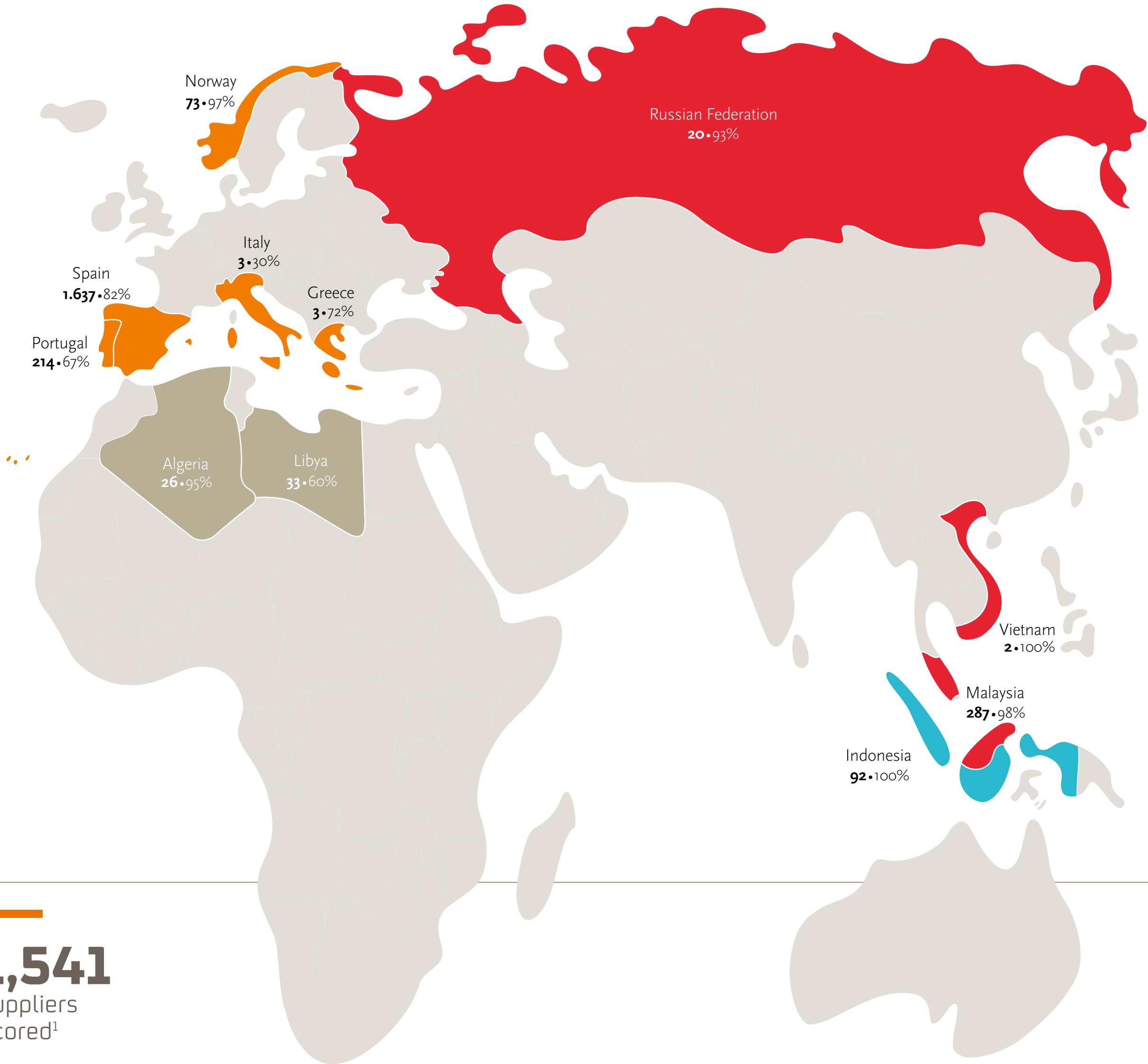
100%
of new suppliers appraised on matters relating to human rights and social, labor and environmental concerns; the same as in 2019

28 supplier assessment audits

2 social audits

100%
of contracts include clauses on human rights, anti-corruption and the environment; the same as in 2019

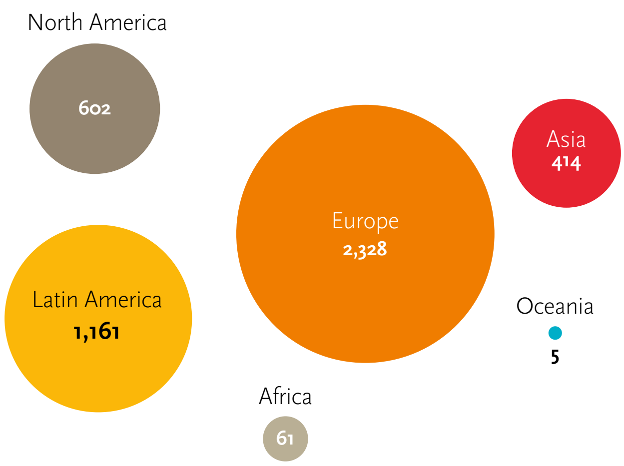
0 breaches of contract due to safety concerns; the same as in 2019



1,541
suppliers
scored[1]

4,864
suppliers
worldwide,
of which
78% are local[2]

Assessment of the impacts
on health and safety
for **100% of significant products**
and services



1. In 2020, as was the case in 2019, the supplier assessment and audit processes found that no supplier had breached the rights of freedom of association or collective bargaining of its employees; been complicit in child labor; or forced its employees to engage in forced labor in any shape or form.
2. Repsol considers "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.

9. Outlook

-3.5%

Estimated decline in global GDP in 2020

9.1. Outlook

Macroeconomic outlook

It is estimated that global GDP saw a notable decline (-3.5%) in 2020 due to the COVID-19. The evolution of this pandemic will continue to shape economy activity in the future.

The economic impact of both the pandemic and the lockdown measures has varied over time. The adverse economic impact of the restrictions now seems to be far less than in April and May of 2020, due to various factors: (i) the more recent restrictions are not as severe as during the first wave. The key difference is that most workplaces -including manufacturing- and most schools remain open; ii) supply disruptions in global supply chains were overcome; iii) individuals and organizations have adapted to working from home and other habits, with increased online shopping, etc; iv) orders previously delayed and demand from some countries that successfully controlled the pandemic, such as China, have helped sustain trade and activity within the manufacturing sector.

Meanwhile, the progress made in vaccinating the population could mean that we are beginning to see the light at the end of the tunnel. In developed countries, where vaccination will be quicker, restrictions could begin to ease from the second quarter of 2021, or by the third quarter at the latest. Following on, the economic recovery should pick up pace on the back of demand and the increased rate of precautionary savings seen during the pandemic should steadily normalize as well. However, the new waves of the pandemic and the risks posed by the new, more contagious strains mean that the start of 2021 will be even more complicated, calling for even tighter restrictions in many countries.

Against this backdrop, forecasts and projections will be fraught with uncertainty. The IMF's baseline scenario expects global GDP to grow by 5.5% in 2021, followed by 4.2% in 2022. However, trends will vary widely across countries and regions, as shown in the table below:

IMF macroeconomic Outlook

	Real GDP growth (%)		Average inflation (%)	
	2021	2020	2021	2020
Global economy	5,5	(3,5)	3,4	3,2
Advanced countries	4,3	(4,9)	1,3	0,7
Spain	5,9	(11,1)	0,8	(0,3)
Emerging countries	6,3	(2,4)	4,2	5,0

Source: IMF (World Economic Outlook January 2021) and Repsol´s Division of Business Studies & Analysis.

The following uncertainties will persist in the mid-term: The adverse effects of the pandemic on the economy may be mitigated if faster adoption of digital technologies and new forms of organization leads to a swifter rise in productivity. Conversely, productivity could be hurt by an increase in protectionism and a shake-up in international supply chains.

Energy sector outlook

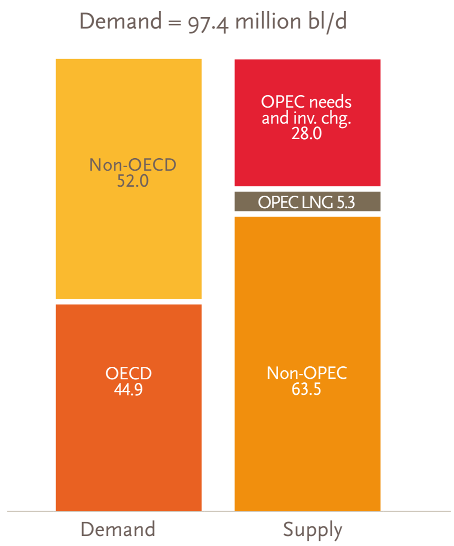
Short-term energy sector outlook

Oil is one of the energy sectors that most felt the impact of COVID-19; the short-term outlook for supply-demand fundamentals has undergone constant review.

The International Energy Agency (IEA), after publishing an initial estimate in March of an increase in average global demand in 2021 of +2.1 million bbl/d to 102 million bbl/d, now estimates an increase of +6.2 million bbl/d to 96.91 million bbl/d for December. This means that in 2021 global demand will not return to pre-crisis levels due to the sharp drop in consumption of -8.8 million bbl/d in 2020.

Consumption among non-OECD and OECD countries looks set to increase by +5.9 million bbl/d and -6.6 million bbl/d, respectively, in 2021. The IEA expects non-OPEC countries to increase production by only 540 thousand bbl/d in 2021, with US supply shrinking by 510 thousand bbl/d. On the OPEC+ side, the market will be watching closely to see if cuts are implemented to mitigate the impact of COVID-19 on demand.

Global supply/demand balance 2021



Source: *International Energy Agency (IEA) and Repsol´s Division of Business Studies & Analysis.*

In 2021, Henry Hub is expected to trade on average above the levels seen in 2020, reflecting a further adjustment of the supply-demand balance in response to the continued strength of LNG exports and the sharp contraction of domestic production growth relative to previous years.

On the supply side, the short-term dynamics of gas producers will shape natural gas prices in 2021. Given the financial and regulatory pressure faced by the industry, production growth rates are expected to be moderate, with a possible decline in associated gas production from the Permian basin. However, dry gas production is expected to recover as prices stabilize and rise in Appalachia and Haynesville during the first half of the year.

On the demand side, the strong performance of consumption for electricity generation and the maintenance of high volumes of LNG for export may offset the weakness shown by consumption in the industrial segment, which would remain unchanged, and the residential/commercial segment, impacted by seasonality. If winter weather is colder than usual, the adjustment will speed up, providing additional price flexibility in the face of a potential upturn in production. Meanwhile, the impact on demand of a continuing pandemic and the energy/climate policies rolled out by the new US administration will both be critical concerns.

Long-term energy sector outlook

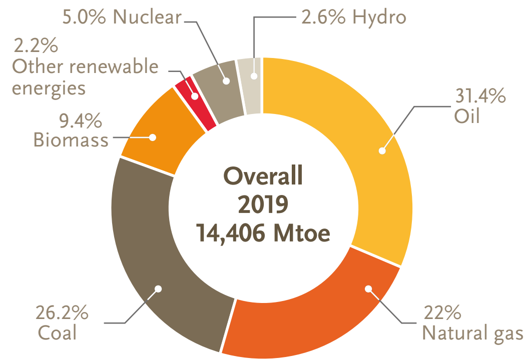
On a global scale, hydrocarbons account for over half of the primary energy consumed. Specifically, 31% of global primary energy consumption is derived from oil, which is the most commonly used energy source, followed by coal (26%) and natural gas (23%). Other renewable sources besides hydropower contribute barely 2%.

In the coming years, the world should move toward a more sustainable scenario in which all energies are involved in the global energy matrix, hand in hand with technology and innovation. The International Energy Agency (IEA), a benchmark institution in the energy sector as to market analysis and outlook in the short, medium and long term, in its World Energy Outlook for 2020 presented a baseline scenario of declared policies in which primary energy demand would grow at an average rate of 1% per year until 2040. In that year, oil would continue to be the most widely used energy source, comprising 28% of the global matrix, followed by natural gas with 25%, coal with 19%, and other renewable sources different from hydro with 8%.

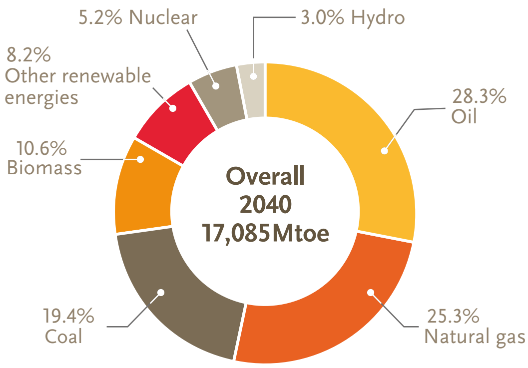
Besides the baseline scenario, in its WEO 2020 the IEA proposes a 2040 sustainable development scenario. In this scenario, oil and gas continue to lead world energy consumption, but renewables (ex hydro) would already be the third most widely used source.

Oil and gas the most consumed primary energy sources by 2040 (28% and 25%, respectively)

World primary energy matrix in the IEA's STEPS scenario



Source: *IEA* and Repsol´s Division of Business Studies & Analysis.



Source: *IEA* and Repsol´s Division of Business Studies & Analysis.

9.2. Outlook by business

The Strategic Plan (the "Plan") unveiled in late 2020, which will steer the transformation of the Company and accelerate the energy transition, ensuring profitability and maximum value creation for stockholders, clearly differentiates two periods; the first (2021-2022) and the second (2023-2025), once the impact of the pandemic is behind us (*see Section 3. New Strategic Plan*). In 2021, the first year of the Plan, in light of uncertainty in the economic and raw materials market landscape, priority will be given to efficiency and capital discipline, investment containment and prudent financial policy to preserve our current credit rating.

The new Strategic Plan sets up four pillars for crystallizing value.

The ***Upstream*** business will prioritize cash flow generation and creating value, focusing on the rotation and active management of its portfolio so as to achieve high-quality barrels and cash generation.

Investment in 2021 will be close to 1,200 million dollars, to implement key projects under the Plan and, to a lesser extent, production assets. By country, investment will focus on the United States, Norway, the UK, Trinidad & Tobago and Brazil.

The ***Industrial*** division will move forward in the decarbonization program through projects supporting the energy transition, such as the advanced biofuels plant. At industrial facilities, the division will continue increasing plant reliability and flexibility, high-value product differentiation and energy efficient measures, seeking continuous improvement of margins. Investment will come to 700 million euros.

The ***Commercial (Customer-Centric)*** business will focus on optimizing operations and supporting our customers through the energy transition to become their multi-energy supplier. We shall place the customer at the center of our decisions, based on digital solutions, with an end-to-end differentiated value proposition, thus maximizing the value of the business and bolstering our competitive position. The planned investment is approximately 200 million euros.

The ***Renewables*** business is a core pillar in the energy transition. To increase renewable generation capacity, we shall launch current development projects in Spain and Chile, move forward with new portfolio projects and expand internationally. Planned investment in this division is approximately 500 million euros.

In 2021, the focus will stay on efficiency in **corporate areas**, automating processes and contributing to the profitability of the entire organization.

In accordance with the Plan's shareholder remuneration commitment, the dividend is expected to be 0.6 euros per share in 2021. The January 2021 payment was made using the scrip dividend formula. A capital reduction will follow, through redemption of treasury shares to avoid dilution shareholders choosing to receive their remuneration in cash. The July payment will be made in cash.

In the current environment, Repsol expects that in 2021 it will be able to generate cash to finance its investment needs and reward its shareholders.

Repsol's Digital Program will drive forward the digital transformation as a lever to boost the energy transition and business efficiency by implementing new models, digital products and disruptive technologies. The main levers for the Industrial and Upstream businesses are Smart Assets that maximize efficiency, reliability and security, combined with increasing decarbonization. In the commercial business, we shall continue to work on advanced analytical and multi-channel customer-centered models that offer multi-energy solutions adapted to customer needs, combined with strategic price analysis to attract new customers and enhance the loyalty of existing ones. Corporate areas will continue to develop solutions that enhance efficiency, employee satisfaction and business value through robotic process automation (RPA), an improved user experience, use of Big Data and Advanced Analytics, and cloud deployment strategy. The overall focus is on improving sustainability, achieving the goal of zero net carbon emissions by 2050, and investing in new internal digital capabilities and new ways of working.

As an additional lever, our 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.

9.3. Highlights of 2021

In January, the discovery of new volumes of gas from the Caipipendi contract in Bolivia was confirmed, after finishing the Boicobo Sur X1 exploratory well tests (*see Section 7.1*).

In January, Repsol also continued developing and implementing decarbonization technology initiatives (*see Section 8.3.1*), reaching the following milestones:

- Production of the first batch of biofuel for aviation at the Tarragona industrial complex.
- Joining an international consortium to develop cutting-edge renewable hydrogen technology to create Europe's first 100 megawatt (MW) alkaline electrolyzer plant, which will be connected to a Repsol industrial site.

On February 3, 2021, Repsol International Finance B.V. notified the bondholders of the subordinated bonds issued in March 2015 (*see Note 6.4 to the consolidated Financial Statements*) of its decision to redeem the remaining balance of the issue (a nominal amount of 406 million euros) on March 25, which will entail an estimated payment of 422 million euros (including the nominal amount and any unpaid interest accrued to date).

10. Risks

Risk management

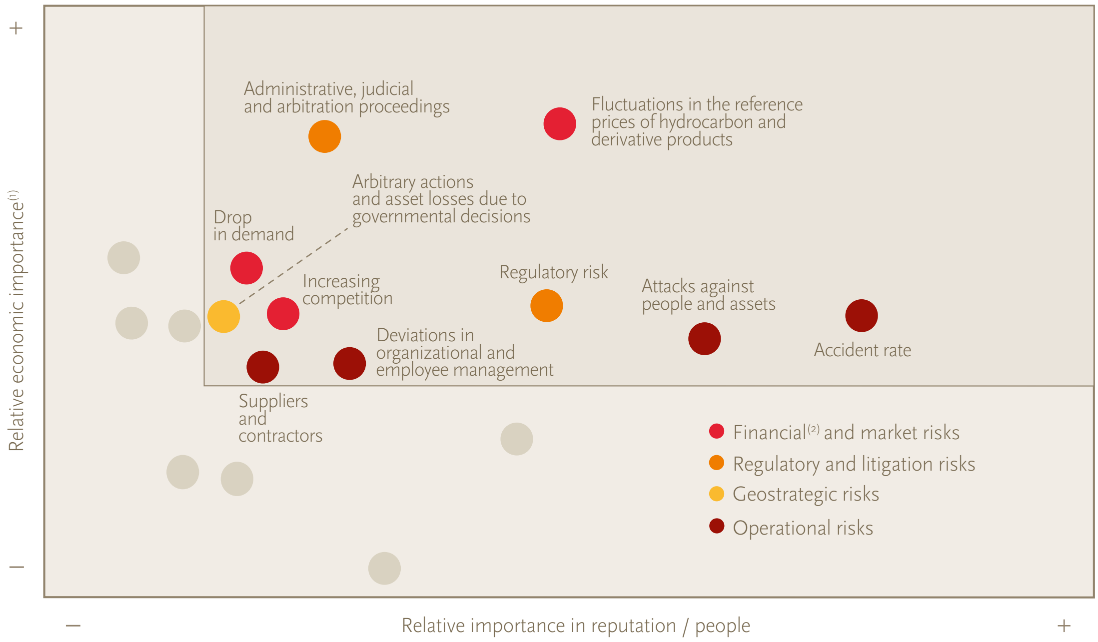
More information can be found in Appendix II "*Risks*".

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. This policy was revised in 2020 to comply with the latest recommendations of the CNMV's Code of Good Governance, which was in turn revised in June 2020.

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 Enterprise Risk Management System provides a comprehensive and reliable view of the risks that might affect the Company, which allows their joint management.

The Group's[1] main risks are showed below based on their importance in terms of economic, reputation and people, taking into account a timeframe of 5 years:

Main Risks



Note: The risks shown in the diagram are described in *Appendix II "Risks"*.
(1) Relative economic importance is measured in terms of loss at the 95th percentile (potential loss in acid scenario) according to the probability distribution of losses for each of the risks.
(2) *See Note 11 to the consolidated Financial Statements for 2020.*

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 –alongside other emerging 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 8.1 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.

Appendix

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Appendix

Appendix I.
Alternative performance measurements

Repsol's financial information contains indicators and measures prepared in accordance with applicable financial reporting standards and regulations, as well as other measures prepared in accordance with the Group's Reporting Model, defined as Alternative Performance Measures (APMs). APMs are measures that are "adjusted" compared to those presented in accordance with IFRS-EU or with Supplementary Information on Oil and Gas Upstream Activities, and the reader should therefore consider them in addition to, but not instead of, the latter.

APMs are useful for users of financial information as they are the measures employed by Repsol's Management to evaluate its financial performance, cash flows or financial position when making operational or strategic decisions for the Group.

For more historical quarterly APM information, see www.repsol.com.

1. Financial performance measurements

Adjusted net income

Adjusted net income is the key financial performance measure that Management (the Executive Committee) consults when making decisions.

Repsol presents its segment[1] results including joint ventures or other companies which are jointly managed in accordance with the Group's investment percentage, considering its 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 ***Net income from continuing operations at Current Cost of Supply*** (or CCS) net of taxes and non-controlling interests. It excludes certain income and expenses (***Special items***) and the Inventory effect. ***Financial income*** is allocated to the adjusted net income of the "Corporate and Others" segment.

Adjusted net income is a useful APM for investors in evaluating the performance of operating segments while enabling increased comparability with Oil & Gas sector companies that use different inventory measurement methods (*see the following section*).

Inventory effect

For current cost of supply (CCS) earnings, the cost of volumes sold is calculated on the basis of procurement and production costs incurred during the period in question and not based on weighted average cost (WAC), which is the accepted methodology under European accounting law and regulations.[2] The difference between CCS earnings and earnings at weighted average cost is included in the so-called ***Inventory Effect***, which also includes other adjustments to the valuation of inventories (write-offs, economic hedges, etc.) and is presented net of taxes and minority interests. This Inventory Effect largely affects the Industrial segment. Repsol management considers that this measurement is useful for investors, considering the significant variations arising in the prices of inventories between periods.

WAC is a generally accepted European accounting method for measuring inventories. It factors in purchase prices and historic production costs, valuing inventory at the lower between this cost and its market value.

1. In 2020, Repsol updated the definition of its segments as described in Section 2.3 of the interim Management report for the first half of 2020.

2. To calculate the cost of supply, international quotations on the benchmark markets in which the Company operates are used. The relevant average monthly price is applied to each quality of distilled crude. Quotations are obtained from daily crude oil publications according to Platts, plus freight costs estimated by Worldscale (an association that publishes world reference prices for freight costs between specific ports). All other production costs (fixed and variable costs) are valued at the cost recognized in the accounts.

Special Items

Significant items for which separate presentation is considered desirable to facilitate the task of monitoring the ordinary management of business operations. This heading 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.

	January – December		Fourth Quarter	
Million euros	**2020**	**2019**	**2020**	**2019**
Divestments	174	49	104	4
Indemnities and workforce restructuring	(124)	(64)	(51)	(31)
Impairment of assets	(2,812)	(4,867)	(1,513)	(4,863)
Provisions and others	(149)	(941)	275	(822)
Total	**(2,911)**	**(5,823)**	**(1,185)**	**(5,712)**

The following is a reconciliation of the Adjusted Income under the Group's reporting model with the Income prepared according to IFRS-EU:

	Fourth Quarter											
			Adjustments									
	Adjusted net income		Reclassification of Joint Ventures		Special items		Inventory Effect[2]		Total Adjustments		IFRS-EUS profit/loss	
Million euros	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Operating income	464 [1]	765 [1]	(184)	124	(1,374)	(6,408)	99	37	(1,459)	(6,247)	(995)	(5,482)
Financial result	26	(148)	16	21	92	(2)	-	-	108	19	134	(129)
Net income of companies accounted for using the equity method - net of tax	2	6	401	70	(1)	6	-	-	400	76	402	82
Income before tax	**492**	**623**	**233**	**215**	**(1,283)**	**(6,404)**	**99**	**37**	**(951)**	**(6,152)**	**(459)**	**(5,529)**
Income tax	(88)	(211)	(233)	(215)	97	691	(25)	(10)	(161)	466	(249)	255
Consolidated income for the year	**404**	**412**	**-**	**-**	**(1,186)**	**(5,713)**	**74**	**27**	**(1,112)**	**(5,686)**	**(708)**	**(5,274)**
Net income attributed to non-controlling interests	-	(7)	-	-	1	1	(4)	(2)	(3)	(1)	(3)	(8)
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT COMPANY	**404**	**405**	**-**	**-**	**(1,185)**	**(5,712)**	**70**	**25**	**(1,115)**	**(5,687)**	**(711)**	**(5,282)**

(1) Net income from continuing operations at current cost of supply (CCS).
(2) The Inventory effect represents an adjustment to "*Procurements*" and "*Changes in inventory of finished goods and work in progress*" on the IFRS-EU income statement.

	January – December													
			Adjustments											
	Adjusted net income		Reclassification of Joint Ventures		Special items		Inventory Effect[2]		Total Adjustments		IFRS-EU profit/loss	
Million euros	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Operating income	1,135 [1]	3,661 [1]	682	(529)	(3,017)	(6,343)	(1,354)	(40)	(3,689)	(6,912)	(2,554)	(3,251)
Financial result	(238)	(390)	60	111	37	(22)	-	-	97	89	(141)	(301)
Net income of companies accounted for using the equity method - net of tax	6	22	(618)	324	3	5	-	-	(615)	329	(609)	351
Income before tax	**903**	**3,293**	**124**	**(94)**	**(2,977)**	**(6,360)**	**(1,354)**	**(40)**	**(4,207)**	**(6,494)**	**(3,304)**	**(3,201)**
Income tax	(299)	(1,227)	(124)	94	63	536	344	9	283	639	(16)	(588)
Consolidated income for the year	**604**	**2,066**	**-**	**-**	**(2,914)**	**(5,824)**	**(1,010)**	**(31)**	**(3,924)**	**(5,855)**	**(3,320)**	**(3,789)**
Net income attributed to non-controlling interests	(4)	(24)	-	-	3	1	32	(4)	35	(3)	31	(27)
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT COMPANY	**600**	**2,042**	**-**	**-**	**(2,911)**	**(5,823)**	**(978)**	**(35)**	**(3,889)**	**(5,858)**	**(3,289)**	**(3,816)**

(1) Net income from continuing operations at current cost of supply (CCS).
(2) The Inventory effect represents an adjustment to "*Procurements*" and "*Changes in inventory of finished goods and work in progress*" on the IFRS-EU income statement.

EBITDA:

EBITDA , or "Earnings Before Interest, Taxes, 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 peers within 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 cost (WAC). Where ***Net income from continuing operations at Current Cost of Supply*** (CCS) is used, it is known as CCS EBITDA.

	Fourth Quarter							
	Group Reporting Model		Joint venture reclassification and other		Inventory Effect		IFRS-EU[2]	
Million euros	2020	2019	2020	2019	2020	2019	2020	2019
Upstream	643	1,058	(246)	(348)	-	-	397	710
Industrial	363	563	(9)	(5)	93	31	354	558
Commercial and Renewables	294	255	(5)	(4)	6	6	289	251
Corporate and Others	(41)	(24)	(23)	(18)	-	-	(64)	(42)
EBITDA	**1,259**	**1,852**	**(283)**	**(375)**	**99**	**37**	**976**	**1,477**
Inventory effect [1]	(99)	(37)						
CCS EBITDA	**1,160**	**1,815**	**(283)**	**(375)**	**99**	**37**	**976**	**1,477**

(1) Before tax.
(2) Corresponds to "*Income before tax*" and "*Adjustments to income*" in the consolidated Cash Flow Statements prepared under IFRS-EU.

	January – December							
	Group Reporting Model		Joint venture reclassification and others		Inventory Effect		IFRS-EU[2]	
Million euros	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Upstream	2,090	4,255	(930)	(1,664)		-	1,160	2,591
Industrial	(161)	1,997	(32)	(33)	(1,332)	(31)	(193)	1,964
Commercial and Renewables	970	1,059	(10)	(14)	(22)	(9)	960	1,045
Corporate and Others	(169)	(150)	12	(21)		-	(157)	(171)
EBITDA	**2,730**	**7,161**	**(960)**	**(1,732)**		**-**	**1,770**	**5,429**
Inventory effect [1]	1,354	40						
EBITDA at CCS	**4,084**	**7,201**	**(960)**	**(1,732)**	**(1,354)**	**(40)**	**1,770**	**5,429**

(1) Before tax.
(2) Corresponds to "*Income before tax*" and "*Adjustments to income*" on the consolidated statement of cash flows under IFRS-EU.

	Fourth Quarter					
	Group Reporting Model		Joint venture reclassification and others		IFRS-EU[1]	
Million euros	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Net income before tax	(693)	(4,907)	234	(622)	(459)	(5,529)
Adjusted result:					-	-
Depreciation of property, plant and equipment	677	893	(143)	(202)	534	691
Operating provisions	1,439	5,826	44	543	1,483	6,369
Other items	(164)	40	(418)	(94)	(582)	(54)
EBITDA	**1,259**	**1,852**	**(283)**	**(375)**	**976**	**1,477**

(1) Corresponds to "*Income before tax*" and "*Adjustments to income*" in the consolidated Cash Flow Statements prepared under IFRS-EU.

	January – December					
	Group Reporting Model		Joint venture reclassification and other		IFRS-EU[1]	
Million euros	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Net income before tax	(3,428)	(2,270)	124	(931)	(3,304)	(3,201)
Adjusted result:					-	-
Depreciation of property, plant and equipment	2,880	3,289	(673)	(855)	2,207	2,434
Operating provisions	3,177	6,115	(973)	485	2,204	6,600
Other items	101	27	562	(431)	663	(404)
EBITDA	**2,730**	**7,161**	**(960)**	**(1,732)**	**1,770**	**5,429**

(1) Corresponds to "*Net income before tax*" and "*Adjustments to income*" in the consolidated Statement of Cash Flows 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 the efficiency of capital employed (equity and debt).

ROACE ("Return on average capital employed") is calculated as: (Adjusted Net Income –taking the expense for operating leases as the instalments specified in the contracts, instead of the amortization of the right of use recognized under IFRS 16–, before non-controlling and excluding Finance Income + Inventory Effect + Special Items) / (***Average capital employed*** for the period in continuing operations, which measures own and external capital employed by the company, and comprises Total Equity + ***Net debt***). This includes capital employed in joint ventures or other companies managed operationally as joint ventures. If the Inventory Effect is not used in the calculation process, it is known as CCS ROACE.

NUMERATOR (*Millions of euros*)	**2020**	**2019**
Operating income (IFRS-EU)	**(2,554)**	**(3,251)**
Joint Ventures reclassification	(682)	529
Income tax(1)	97	(780)
Net income of companies accounted for using the equity method - net of tax	9	27
Impact IFRS 16	(55)	(46)
I. ROACE result at weighted average cost	**(3,185)**	**(3,521)**

DENOMINATOR (*Millions of euros*)	**2020**	**2019**
Total equity	20,723	25,337
Net Debt	3,042	4,220
Capital employed at period-end	**23,765**	**29,556**
II. Average capital employed (2)	**26,661**	**31,955**
ROACE (I/II)	**(11.9)**	**(11.0)**

(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, before non-controlling and excluding Financial income + Inventory Effect + Special Items) / (Average capital employed in continuing operations during the period, which equals Total Equity + ***Net Debt with leases***). It includes the return pertaining to joint ventures or other companies operationally managed as such.

NUMERATOR (*Millions of euros*)	**2020**	**2019**
Operating income IFRS-EU	**(2,554)**	**(3,251)**
Reclassification of joint ventures	(682)	529
Income tax[1]	97	(780)
Net income of companies accounted for using the equity method - net of tax	9	27
I. ROACE result at weighted average cost	**(3,130)**	**(3,475)**

DENOMINATOR (*Millions of euros*)	**2020**	**2019**
Total equity	20,539	25,209
Net debt with leases	6,778	8,083
Capital employed at year-end (with leases)	**27,317**	**33,292**
II. Average capital employed [2]	**30,304**	**35,685**
ROACE with leases (I/II) [3]	**(10.3)**	**(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.
(3) CCS ROACE (without taking into account the Inventory Effect) amounts to (7.1%).

2. Cash flow measurements

Cash flow from operations:

Cash flow from operations measures the generation of cash flow corresponding to operations and is calculated as: EBITDA +/- Changes in working capital + Collection of dividends + Collection / - payment of income tax + Other collections / - payments relating to operating activities.

Free cash flow measures cash flow generation from operating and investment activities, and is useful for evaluating the funds available for paying shareholder dividends and servicing debt.

Cash generated is ***free cash flow*** less dividend payments, payment of remuneration for other equity instruments, net interest payments, and payments for leases and treasury shares. This APM measures the funds generated by the Company before financial transactions (mainly debt issuance and repayments).

	Fourth quarter					
	Adjusted cash flow		Reclassification of joint ventures and others		IFRS-EU statement of cash flow	
Million euros	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
I. Cash flows from / (used in) operating activities (cash flow from operations)	1,075	1,763	(71)	(21)	1,004	1,742
II. Cash flows from / (used in) investing activities	(408)	(1,515)	(734)	7	(1,142)	(1,508)
Free cash flow (I+II)	**667**	**248**	**(805)**	**(14)**	**(138)**	**234**
Cash flow generated	**351**	**(502)**	**(806)**	**(6)**	**(455)**	**(508)**
III. Cash flows from/(used in) financing activities and others(1)	(1,311)	(996)	801	38	(510)	(958)
Net increase/(decrease) in cash and cash equivalents (I+II+III)	**(644)**	**(748)**	**(4)**	**24**	**(648)**	**(724)**
Cash and cash equivalents at the beginning of the period	5,222	3,966	(253)	(263)	4,969	3,703
Cash and cash equivalents at the end of the period	4,578	3,218	(257)	(239)	4,321	2,979

(1) Includes payments for dividends and returns on other equity instruments, interest payments, other proceeds from/ (payments for) financing activities, proceeds from / (payments for) the issue / (return) of equity instruments, proceeds from / (payments for) financial liabilities and the exchange rate fluctuations effect.

	January – December					
	Adjusted cash flow		Reclassification of joint ventures and others		IFRS-EU statement of cash flow	
Million euros	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
I. Cash flows from / (used in) operating activities (cash flow from operations)	3,197	5,837	(459)	(988)	2,738	4,849
II. Cash flows from / (used in) investing activities	(1,218)	(3,777)	1,440	(630)	222	(4,407)
Free cash flow (I+II)	**1,979**	**2,060**	**981**	**(1,618)**	**2,960**	**442**
Cash flow generated	**811**	**(687)**	**1,008**	**(1,578)**	**1,819**	**(2,265)**
III. Cash flows from/(used in) financing activities and others(1)	(619)	(3,863)	(999)	1,614	(1,618)	(2,249)
Net increase/(decrease) in cash and cash equivalents (I+II+III)	**1,360**	**(1,803)**	**(18)**	**(4)**	**1,342**	**(1,807)**
Cash and cash equivalents at the beginning of the period	3,218	5,021	(239)	(235)	2,979	4,786
Cash and cash equivalents at the end of the period	4,578	3,218	(257)	(239)	4,321	2,979

The Group measures ***liquidity*** as the sum of "Cash and cash equivalents" on-demand cash deposits at financial institutions, and short and long-term credit facilities that remain undrawn at the end of the period, i.e., credit facilities granted by financial institutions that may be drawn on by the Company on the terms, in the amount and subject to the other conditions agreed in the contract.

	January – December					
	Group Reporting Model		Joint arrangements reclassification and others		IFRS-EU	
Million euros	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Cash and cash equivalents	4,578	3,218	(257)	(239)	4,321	2,979
Undrawn credit lines	3,436	1,818	(11)	(10)	3,425	1,808
Deposits of immediate availability (1)	1,181	2,631	-	-	1,181	2,631
Liquidity	**9,195**	**7,667**	**(268)**	**(249)**	**8,926**	**7,418**

(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 and allocation by business segment, reflecting operating investments by the various Group business units. The figure includes joint ventures or other companies managed operationally as joint ventures.

Investments may be presented as organic (acquisition of projects, assets or companies for the expansion of the Group's activities) or inorganic (funds invested in the development or maintenance of the Group's projects and assets). This distinction is useful in understanding how the Group's Management allocates its resources and allows for a more reliable comparison of investment between periods.

	Fourth Quarter					
	Operating investments		Joint venture reclassification and other		IFRS-EU(1)	
Million euros	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Upstream	182	915	(85)	(116)	97	799
Industrial	225	389	(10)	(6)	215	383
Commercial and Renewables	339	238	(42)	(3)	297	235
Corporate and Others	23	14	-	-	23	14
Total	**769**	**1.556**	**(137)**	**(125)**	**632**	**1.431**

	January – December					
	Operating investments		Joint venture reclassification and other		IFRS-EU(1)	
Million euros	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Upstream	948	2,429	(230)	(499)	718	1,930
Industrial	565	885	(14)	(16)	551	869
Commercial and Renewables	739	491	(46)	(12)	693	479
Corporate and Others	56	56	-	-	56	56
Total	**2,308**	**3,861**	**(290)**	**(527)**	**2,018**	**3,334**

(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[1]

Net Debt and ***Net Debt with leases*** are the main APMs used by Management to measure the Company's level of debt. The figure is made up of financial liabilities (including lease liabilities, as the case may be) less financial assets, cash and cash equivalents, and the effect arising from the mark-to-market of financial derivatives (excluding interest rates). It also includes the net debt of joint ventures and other companies operationally managed as such.

	Net Debt	Reclassification of joint ventures (1)	IFRS-EU balance sheet
Million euros	**Dec-20**	**Dec-20**	**Dec-20**
Non-current assets			
Non-current financial instruments(2)	10	767	777
Current assets			
Other current financial assets	1,418	159	1,577
Cash and cash equivalents	4,578	(257)	4,321
Non-current liabilities			
Non-current financial liabilities(3)	(6,373)	(3,246)	(9,619)
Current liabilities			
Current financial liabilities(3)	(3,030)	(364)	(3,394)
Items not included on the balance sheet			
Net mark to market valuation of financial derivatives (ex: exchange rate)(4)	355	(290)	65
NET DEBT(5)	**(3,042)**	**(3,231)**	**(6,273)**
Non-current net leases liabilities (6)	(3,153)	664	(2,489)
Current lease liabilities (6)	(583)	105	(478)
NET DEBT with leases	**(6,778)**		**(9,240)**

(1) Mainly includes the net financing of the Repsol Sinopec Brazil Group, broken down in the following sections: Cash and cash equivalents of 79 million euros, current financial liabilities from an intra-group loans of 2,768 million euros and 674 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 market value of interest 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 24 million euros (16 million euros long term and 8 million euros short term).

1. In 2020, the interest coverage ratio (interest on debt -financial income and expenses- divided by EBITDA) is no longer reported, as it is no longer a measure used by Management to assess the financial position.

Gross Debt and ***Gross Debt*** with leases are measures used to analyze the Group's solvency and include financial liabilities (including lease liabilities as the case may be) and the mark-to-market value of exchange rate derivatives. It also includes the net debt of joint ventures and other companies operationally managed as such.

	Gross debt	**Reclassification of joint ventures and others**	**IFRS-EU balance sheet**
Million euros	**Dec-20**	**Dec-20**	**Dec-20**
Current financial liabilities [1]	(2,786)	(363)	(3,149)
Net valuation at the market rates of financial derivative, such as current exchange rate	(64)	-	(64)
Current gross debt	**(2,850)**	**(363)**	**(3,213)**
Non-current financial liabilities[1]	(6,272)	(3,245)	(9,517)
Net mark-to-market valuation of non-current foreign exchange derivatives	24	-	24
Non-current gross debt	**(6,248)**	**(3,245)**	**(9,493)**
GROSS DEBT[2]	**(9,098)**	**(3,609)**	**(12,706)**
Current lease liabilities	(590)	104	(486)
Non-current lease liabilities	(3,175)	620	(2,505)
GROSS DEBT with leases	**(12,863)**	**(2,835)**	**(15,697)**

(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 and Group solvency.

- The ***leverage ratio*** is ***net debt*** divided by ***capital employed*** at the end of the period. This ratio can be used to examine financial structure and degree of indebtedness in relation to capital contributed by shareholders and financing entities. Leverage is the chief measure used to evaluate and compare the Company's financial position with respect to its peers in the Oil & Gas industry.
- 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 service its current debt using its existing liquidity.

	January – December					
	Group Reporting Model		Joint venture reclassification		IFRS - EU Balance sheet	
Million euros	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Net debt	(3,042)	(4,220)	(3,231)	(3,342)	(6,273)	(7,562)
Capital employed	23,765	29,556	3,231	3,342	26,996	32,898
Leverage	**-12.8%**	**-14.3%**			**-23.2%**	**-23.0%**

	January – December					
	Group Reporting Model		Joint venture reclassification		IFRS - EU Balance sheet	
Million euros	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Net debt with leases	(6,778)	(8,083)	(2,462)	(2,583)	(9,240)	(10,666)
Capital employed	27,317	33,292	2,462	2,583	29,779	35,875
Leverage with leases	**-24.8%**	**-24.3%**			**-31.0%**	**-29.8%**

	January – December					
	Group Reporting Model		Joint venture reclassification		IFRS - EU Balance sheet	
Million euros	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Liquidity	9,195	7,667	(269)	(249)	8,926	7,418
Current gross debt	2,850	5,219	822	(10)	3,213	6,022
Solvency	**3.2**	**1.5**			**2.8**	**1.2**

Appendix II. Risks

Risk management

Repsol's Enterprise Risk Management System - [ERMS]

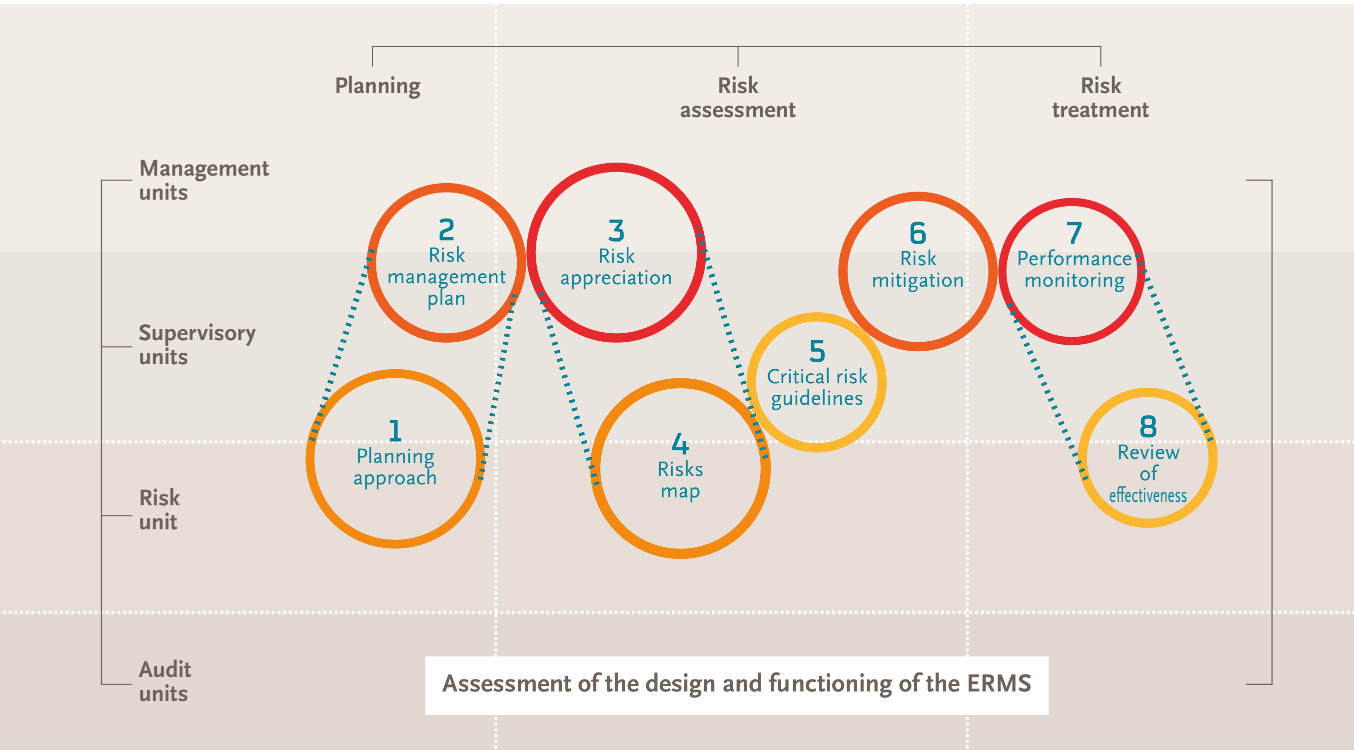
Repsol has an Enterprise Risk Management System that, through the coordinated action of all units involved, allows the main risks associated with the Group's activities to be identified, measured, managed and supervised in a manner consistent with the risk policy, and monitors whether the management systems effectively mitigate these risks to the established levels. Repsol's Enterprise Risk Management System (ERMS) provides a comprehensive and reliable vision of all risks that may affect the Company, and is based on a Risk Management policy approved by the Board of Directors, the principles of which are set out in an Enterprise Risk Management standard approved by the Executive Committee.

The core pillars of the ERMS are:

- Senior Management leads enterprise 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 model) as well as the Risks Division, which governs and coordinates the system.
- 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 statement which, together with the above principles, is included in the Risk Management policy. 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 SIGR, as well as their responsibilities:

Board of Directors

Board of Directors

Approves the general **policies and strategies of the Company,** which includes the risk control and management policy and the oversight of internal information and control systems.

Audit and Control Committee

Periodically **verifies** the **effectiveness** of internal control systems, Internal Audit and risk management systems so that the main risks are properly identified, managed and disclosed.

Sustainability Committee

Reviews and **evaluates** systems for the management and control of risks in non-financial matters, in particular those related to matters that fall within its remit.

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 the integration of the risk perspective in the decision-making process.

Risk Management Units

Directly responsible for risk in daily operations (risk identification, analysis, assessment and treatment).

Supervisory Risk Units

Supervisory Units: governance units that specialize in certain risk classes and support and oversee the implementation of **effective risk** management practices at the Management Units by providing ongoing advice.

Risk Units: guarantee the sound functioning of the risk control and management systems and ensure, in particular, that all material risks affecting the Company are identified, managed and quantified. They also see to it that risk factors have an effective influence on **decision-making processes** and ensure that risk management and control systems adequately mitigate the risks within the framework of the policy defined by the Board of Directors.

Risk Audit Units

Assess the design and operation of risk management systems to ensure that they are properly identified, measured, prioritized and controlled according to current standards and good industry practice.

In accordance with the ERMS, the risk profile of each management unit is reported at least once a year to the head of the unit for formal validation. However, if at any time it is thought that the Group's risk profile may have changed substantially due to a change in exposure to an especially significant risk, the analysis of such risks is updated.

Where appropriate, the head of the management unit sets in motion appropriate actions or control mechanisms[1] to align the risk profile with the organization's expectations, in line with the risk tolerance declaration set out in the Risk Management Policy.

The Risks Division consolidates individual risk maps to obtain the consolidated Risk Map for the Repsol Group, and any partial consolidation agreed to be reported to the executive and governing bodies, which, where appropriate, provide guidelines on the treatment of certain risks, in view of the risk profile, the maturity of risk management systems and the risk tolerance declaration set out in the Risk Management Policy.

The resulting mitigation actions are driven forward by the supervisor units[2] and, when they involve management units, converge with those units' own strategies.

In the course of these activities, the Risks Division collects information from the management and supervisor units on their performance and expectations in relation to achieving the objectives of the ERMS. This information collection is supplemented, when appropriate, with campaigns specifically designed to obtain certain data, such as surveys, backtesting studies and others. By reference to this information, the area responsible for the ERMS reviews effectiveness and ensures that the findings result in continuous improvement of the ERMS.

At all stages of the enterprise risk management process, in accordance with their planning, the audit units evaluate the reasonableness and adequacy of the design and operation of the Repsol Group's risk control and management systems, to ensure that risks are properly identified, prioritized, measured and controlled within the tolerance levels set by the Board in its Risk Management Policy, looking to prevailing standards and good industry practices. The audit units plan their engagements annually, based on the state of the risks and other considerations, with a focus on the key risks.

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, and information is received from the ERMS accordingly. Going beyond single-scenario approaches, these analyses provide a probabilistic view of the achievable result by simulating multiple scenarios in which these variables, correlated to some extent or another, take different values depending on their prior statistical modeling.

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 Risks department annually evaluates the design and functioning of the Group ICFR and draws conclusions on its effectiveness.

Main risks

The main risks identified in Section 10 of this document are detailed below:

1. Repsol has in place an Integrated Internal Control model that follows the COSO framework and includes the Group's formally developed Internal Control and Compliance Systems, highlights being the System of Internal Control over Financial Reporting and the Crime Prevention Model of the Group's Spanish entities.
2. The following areas are key: Sustainability, Corporate Security, Legal Counsel, External Relationships, CIO and CDO, Institutional Relationships, Strategy and Planning, Economic and Tax Matters, Financial Risks, Planning and Rating Agencies, Technology and Corporate Venturing, Corporate Governance, People and Organization, Purchasing and Contracting, Quality Assurance & Quality Control E&P, Technical Industrial Area, Engineering, Projects & Facilities E&P, Internal Control and Reserves Control.

Financial and market risks	
Fluctuations in the reference price of hydrocarbons, derivative products and other commodities (electricity and the price of CO_2 emission allowances)	Crude oil and gas prices are subject to exogenous factors and, therefore, to volatility, as a result of fluctuations in international supply and demand, impacted by the geopolitical and macroeconomic environment -as demonstrated in 2020 by the impact of the COVID-19 pandemic-, OPEC influence, technological changes, the energy transition process or natural disasters. On average, the Brent crude oil price stood at $41.8/bbl in 2020, down 34.9% on the 2019 average. On average, the Henry Hub gas price stood at $2.1/Mbtu in 2020, down 19.2% on the 2019 average. For more information on changes in hydrocarbon prices in 2020, *see Section 5.2. of the report*, and for their likely performance in 2021, see *Section 9.1*. 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. For more information on the impacts that the price reduction has had on activities, valuation and profitability of this business, *see sections 2, 6, and 7.1*. A significant drop in capital investment could negatively affect Repsol's ability to replace its crude oil and gas reserves. In turn, international prices for crude oil and oil derivatives may impact the value of stored inventories of the Industrial segment. In 2020 the impact of price fluctuations on inventories is reflected in the so-called Equity Effect (*see Section 6*). The price of finished products can also affect their demand. In addition to the macroeconomic environment, dependent in the short term on the development of the pandemic, the scenarios associated with the energy transition process and the effects of climate change can affect the price of other commodities such as electricity and CO_2 emission allowances. Finally, note that any potential deviations in price with regard to the Group's forecasts may also be beneficial.
Competitive de-positioning	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, acceleration of the energy transition process and increasing competition for access to low-carbon resources. The combined effect of these factors may affect market share and margins.
Drop in demand	Demand for crude oil, gas, electricity or oil products below the Group's forecast has a negative impact on the results of its main businesses (E&P, Refining, Commercial, Chemicals, Trading, LPG, Electricity and Gas, etc.) as activity volumes are affected. In 2020, the outbreak of the international COVID-19 pandemic has significantly reduced the demand for several of our products, as a result of the drop in economic activity and, in particular, mobility restriction measures to combat the spread of the pandemic. For more information on the impact on business activity and profitability, *see Sections 2 and 6*. The future progression of the pandemic adds uncertainty to the demand forecast, because of the difficulty in predicting the timeframe in which demand will return to pre-COVID levels. Other factors that may affect demand include slower growth in countries to which 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 exposed to administrative, legal and arbitration proceedings arising as a result of carrying out its activities, the scope, content or outcome of which cannot be accurately predicted. For more information, *see Notes 15.2 and 23.4 of the consolidated Financial Statements*.
Regulatory risks	The energy industry and the Group's activity are 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 judgements 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. Repsol operates in countries with particular geopolitical risk, as described in *Note 20.3 of the consolidated Financial Statements*.
Operational risks	
Safety 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 safety in operations or involving land, sea, river and air transport vehicles for people, substances, goods and equipment.
Deviations in organizational and employee 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.
Suppliers and Contractors	The Repsol Group is exposed to negative impacts associated with the unavailability or lack of market goods and services, fluctuations in their cost, as well as interruptions and deviations in time and form in the supply of goods or the provision of services, including, among others, the supply of raw materials, which may eventually force the interruption of the affected business activities. Specifically, part of the transportation and sale of crude oil and gas production from E&P assets is carried out through infrastructures (pipelines, processing and purification units or liquefaction terminals) operated by third parties and that are exposed to the occurrence of different events such as unscheduled stoppages or accidents, which may affect the provision of these logistics services by suppliers. In addition, in certain countries where the Group operates, affected by situations of socio-political instability, there may be a shortage of qualified suppliers or contractors, which could potentially impact activities.
Attacks against people or assets	In general, but especially in certain countries where it operates, Repsol is exposed to potential impacts as a result of 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 security conditions in Libya, where there have been stoppages of hydrocarbon production in 2020. For further information, *see Note 21.3 to the consolidated financial Statements*.

In 2020, the risks of fluctuations in benchmark prices of hydrocarbons and the drop in demand arose as a result of the impact of the COVID-19 pandemic on the commodity markets and the Group's activities (*see Section 2.1 COVID-19 Main impacts*).

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.

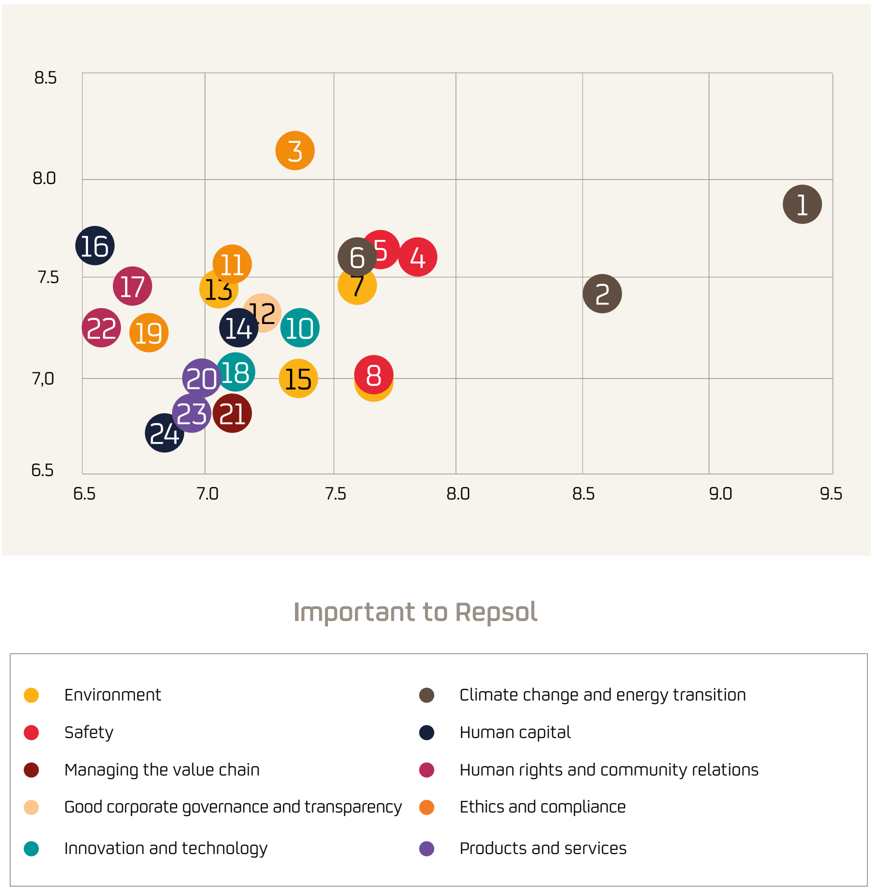
Matters identified by stakeholders

Critical

1. GHG emissions and energy transition strategies
2. Energy and climate policies and regulation

Very significant

3. Integrity (corruption and money laundering)
4. Safe operations
5. Incident and emergency management
6. Future technologies for mitigating climate change
7. Water management
8. Safety culture and leadership
9. Circular economy and waste management
10. Cybersecurity
11. International sanctions
12. Responsible tax policy
13. Air quality
14. Equal opportunities, diversity and flexibility
15. Natural capital
16. Respect for labor rights, stable working environment and employee well-being
17. Human rights and community relations
18. Digitalization and new ways of working
19. Data protection
20. Customer satisfaction and safety
21. Responsible management of commercial relations (suppliers, contractors and partners)
22. Contribution to society
23. Quality of products and services
24. Attracting, retaining and developing talent



Repsol performed a new materiality study in 2020, which reflects the significance of Sustainability issues both for the Company and for its stakeholders. Repsol takes the view that materiality analysis must be a comprehensive process that is integrated throughout the organization. Hence, in 2020, 19 areas of the organization and 22 countries took part in the project, including areas in charge of stakeholder relations, areas with expertise in Sustainability issues and the management team. Within the context of the health and economic crisis of 2020, a materiality study is especially useful to capture any changes in stakeholders' sustainability priorities.

1. In this section, the numeric references in brackets correspond to GRI indicators

The materiality analysis at Repsol is a process that spans four phases:

1. Stakeholder analysis and relations: In 2020, the Company's stakeholder map was validated and consolidated. This map is structured into eight stakeholder groups (1. Shareholders, investors and financial institutions, 2. People in the Organization, 3. Customers, 4. Suppliers and contractors, 5. Peers, competitors and trade associations, 6. Public bodies and institutions, 7. Society and 8. Press and media), which are sub-divided into a total of 40 categories. In addition, the management areas and groups have been consulted on the effectiveness of the communication. Repsol's objective is to have a robust relationship process that facilitates two-way dialogue.

Relations with stakeholders

Employees: Human capital, Corporate governance and transparency, Ethics and compliance, Human rights and community relations, and Innovation and technology are the key issues for this stakeholder. The Company has opened up channels of communication and dialogue with employees both directly and through their union representatives in the corresponding negotiating committees, including the Sustainability Committee (created in 2019), to address issues and reach agreements. Committee meetings ensure monitoring of and compliance with collective bargaining agreements and agreements applicable to specific Group companies. The European Works Council of the Repsol Group stands out for their capacity for dialogue with workers' representatives at an international level.

Partners, competitors and business associations:

Repsol maintains a constant relationship with this stakeholder through negotiation processes, alliances such as the OGCI [Oil and Gas Climate Initiative], sectoral associations, conferences and events. This stakeholder includes our partners and competitors in the energy industry, meaning they share Repsol's interest in climate change, corporate governance, safety and the environment. The importance of the Transparency issue for this stakeholder group rose strongly in 2020.

Public institutions and organizations:

Contact with this stakeholder is frequent and mainly takes the form of meetings and events, in any case at the frequency required by the different international, national, regional and local public institutions and organisations. Climate Change, Ethics and Compliance, Corporate Governance and Environment are the key issues for this stakeholder group.

Media:
Greenhouse gas emissions is the key issue for this stakeholder, followed by Adaptation to climate change and Respect for labor rights. These are followed by issues surrounding Ethics and Compliance (Integrity and International Sanctions) and Environment (Water Management and Air Quality), with a significant increase in the priority accorded to Air Quality. Repsol is regularly in contact with this stakeholder through press releases and communiqués, interviews, articles, etc.

Customers: Repsol maintains a constant dialog with this stakeholder through its extensive commercial network, participation at specialist fairs and events, technical assistance services, customer service and the points of sale network. In 2020, we focused on this stakeholder group by conducting 400 surveys and 1,200 interviews. The issues rated most highly as a priority by this stakeholder group include Products and Services, Environment and Safety.

Shareholders, investors and financial institutions:

Repsol engages in continuous communication and dialog with this group. The CEO of the Company, Josu Jon Imaz, directs and leads senior management roadshows with socially responsible investors to respond to their requests for information on Sustainability. At year-end 2020, socially responsible shareholders accounted for 32% of shares held by institutional shareholders. Corporate Governance, Climate Change, Ethics and Compliance, and Safety are the key issues for this stakeholder group.

Suppliers and contractors:
Many members of this stakeholder group work at assets operated by Repsol and, therefore, have a shared interest in matters related to the Safety axis. In addition, for them it is vital that the Company acts ethically, protecting the group's data and integrity. In 2020, issues related to Products & Services and Supply Chain rose in significance. Repsol maintains a fluid relationship with this stakeholder throughout the management process, from procurement to operations.

Company: This stakeholder includes local communities, including indigenous populations, trade unions, NGOs, academia, civil society and citizens. Respect for labor rights, stable working environment and attention to employee welfare are the key issues for this stakeholder group. In 2020, this stakeholder group continued to focus on the Climate Change and Human Rights axes. This stakeholder group seeks to ensure that companies such as Repsol prevent and mitigate the key environmental and social impacts of their activities. It also attaches high priority to integrity. Contact and interaction with these stakeholders take on many forms, including meetings, social programs, commercial activities, social media, etc. Furthermore, the Sustainability information that Repsol publishes responds to all requests for information received and participates actively in cross-sectorial taskforces, presentations, conferences and debates on this matter.

2. Identification of potentially material topics: In 2020, as in 2019, a list of 34 sustainability-related topics with the potential to generate challenges and opportunities for both the company and its stakeholders were identified. These topics have been categorized into 10 focal points.

3. Prioritization of material topics: Internal prioritization (Importance for Repsol) is carried out through consultations with the heads of the business units and corporate areas and through alignment with the sustainability risks identified in the Company's Risk Map. External prioritization (Importance for stakeholders) is carried out through consultations with stakeholders and the company areas and departments responsible for managing the relationship with these stakeholders. In 2020, more than 5,000 interviews and surveys were conducted, with a participation rate of 74%. Further, an artificial intelligence tool was used to globally compare our material topics with other companies operating in the sector, current legislation and thousands of news items in the media and across the social networks. Last but not least, Repsol analyzed more than 100 documents that reflect the needs and demands of stakeholders obtained through consultations, initiatives, analyses and other projects derived from direct dialogue with stakeholders.

4. Construction of materiality matrixes: Based on the assessments explained in the previous point, the materiality matrixes are calculated and thresholds are designated in order to work out the most significant or material topics. After applying these thresholds in 2020, a total of 24 material topics were identified (21 topics in 2019). One global company-wide matrix and eight specific stakeholder matrices were obtained.

The Repsol 2020 Materiality Analysis integrates the concept of double materiality described in Article 1 of Directive 2014/95/EU as regards disclosure of non-financial information. To this end, Repsol incorporates expectations in terms of sustainability, both of investors, who take into account the impact of the environment on the Company's activity (financial materiality) and of stakeholders (customers, civil society, employees, suppliers and contractors) who are affected by the impact of the Company's activity on the environment (environmental and social materiality). In addition, the management team and Repsol's sustainability risk map help determine financial materiality by assessing the impact of the environment on the Company.

The findings of the materiality analysis are embedded in the Sustainability Strategy and deployed downstream through the Global Plan and Local Sustainability Plans. The actions under the plans, locally and globally, are aimed at improving performance and minimizing the impact of identified sustainability risks. This enables the Company to think strategically and take decisions to evolve the business model to ensure economic, environmental and social sustainability.

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 Chief Executive Officer, with Antonio Brufau Niubó serving as the non-executive Chairman of the Board of Directors and Josu Jon Imaz serving as the CEO of the Company and, therefore, heading up the Executive Committee.

On May 31, 2019, at their annual meeting, the shareholders approved the re-election of the Chairman of the Board of Directors, Antonio Brufau Niubó, and of the Chief Executive Officer, Josu Jon Imaz San Miguel, for the bylaw-mandated term of four years, so that both may continue to perform the duties with which they have been entrusted to date and which they have been carrying out in an outstanding manner: Mr. Imaz focused on executive tasks and Mr. Brufau on oversight 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 8, 2020, the report received wide support, as it was approved by a majority of the 89.562% 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 respect to 2020, the Company has produced the Annual Remuneration Report since 2018, using a free-form approach, together with the statistical appendix, so that shareholders and stakeholders can have all relevant information on the remuneration of the Directors.

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 Director remuneration by gender (€)

	2020		2019	
	Women	Men	Women	Men
Director average	286,966	333,567	291,025	330,378
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

[EM-EP-420a.3] Investment in renewable energy, revenue from renewable energy sales

[G4-OG2] and [G4-OG3] Renewable energy generation

In July 2020, the floating offshore wind project WindFloat Atlantic, in which Repsol has a 13.6% stake-came on-stream. The facility has an installed capacity of 25MW and is the first semi-submersible offshore wind farm in the world.

The venture was backed by public and private institutions, and involved leading companies in their respective markets and the financial support of the Portuguese government, the European Commission and the European Investment Bank.

Moreover, Repsol Electricidad y Gas, S.A. is undertaking a wide range of renewable energy projects (*see Section 7.3.4* of the Report).

Total investment in renewable energy, by type of technology (€ thousands)

Technology	Investment 2020	Investment 2019
Onshore wind power	346,938	-
Offshore wind power	-	7,600
Solar	125,840	-
Conventional hydro	2,277	-
R&D Biofuels 1st generation	1,744	585
R&D Advanced biofuels	2,977.0	1,636.5
Total	**479,726**	**1,637**

Total amount of renewable energy generated, by source (MWh)

Source	Power generation 2020	Power generation 2019
Hydro < 10 MW	69,685	97,012
Hydro > 10 MW	890,953	910,436
Onshore wind power	168,485	-
Offshore wind power	6,832	-
Total	**1,135,965**	**1,007,448**

Revenue from renewable energy currently accounts for 2.4% of the Company's overall revenue.

[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 2020, this project saw a decrease of 1,384.84 tCO_2. In 2019, Repsol acquired from IBIL a recharging network and energy marketing services for electric vehicles. In 2020, Repsol's public recharging network topped 250 points. 50 of them are fast charging points. Furthermore, Repsol operates the first two ultra-fast recharging points for electric vehicles on the Iberian Peninsula at its Repsol service stations. In 2020, under an agreement reached with KIA, the South Korean firm will enable its customers in Spain to install Repsol's electric vehicle charging infrastructure in their homes. Repsol will be the preferred installer of the electric vehicle charging infrastructure at Kia's 220 points of sale in Spain, with the assurance that the electricity is 100% renewable. The deal bolsters the Company's position as a benchmark in sustainable mobility.
Digitalization 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.
Distributed generation	In April 2020 Repsol launched Solmatch, the first major solar community in Spain based on a 100% renewable energy model. In Solmatch communities, energy is generated using solar panels mounted on the roofs of buildings ("roofers"), so that households ("matchers") located up to 500 meters away can connect to and enjoy local 100% renewable energy. Roofers can then generate renewable energy while making good use of a generally idle asset, their roof space. Matchers can easily connect to a solar community in their area to use solar energy generated in their neighbourhood and save up to 20% of the electricity they consume, at a very competitive price and without having to be locked into the arrangement.
New polyolefins with lower energy requirements	In 2020, the Chemicals business developed three new grades of polyethylene for the automotive sector that reduce vehicle weight and hence reduce energy consumption.

[G4-OG14] Volume of biofuels produced, shared and sold

[EM-RM-410a.1] Percentage of Renewable Volume Obligation (RVO) achieved through production of renewable fuels and purchase of "differentiated" Renewable Identification Numbers (RINs)

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, kerosene 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 ensure the sustainability of its biofuels, Repsol has signed up to international frameworks that certify compliance with the sustainability parameters defined in the Renewables Directives (RED I and RED II) 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 ISCC1 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 2020 is higher than the minimum limits mandated by law.

It is worth noting that during 2020, 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 2020 was 1,121,653 m^3 (1,498,275 in 2019), of which 479,985 m^3 (576,953 in 2019) were produced at the Group's refineries, and the rest, 641.668 m^3 (921,322 in 2019), were bought from third-party companies and blended in the right proportion to meet gasoline and diesel specifications and our customers' requirements. These biofuels have reduced emissions released during transport by 2.3 million tons 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).

In line with its strategy to become a net-emission-free company by 2050, in July Repsol produced the first batch of biojet in the Spanish market at the Puertollano refinery, thus becoming the pioneer in the manufacture of this sustainable aviation fuel in Spain. This first batch comprises 7,000 tons of bio-based aviation fuel. Its use will avoid the emission of 440 tons of CO_2 into the atmosphere, the equivalent of 40 Madrid-Barcelona flights. In addition, in December a second batch of biojet was manufactured at the Tarragona refinery, comprising 10,000 tons of bio-based fuel.

As part of Repsol's strategy in this domain, in September 2020 the Board of Directors approved plans to build Spain's first plant for the production of advanced low-emission biofuels at the Cartagena refinery. The plant will have a production capacity of 250,000 tons of advanced hydrobiodiesel, and will also produce pure biojet. Placing this production on the market will prevent the emission of 900,000 tons of CO_2 per year. The construction phase is expected to create more than 1,000 jobs. The investment of 188 million euros will become operational during the first quarter of 2023.

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.

Environment

Non-GHG emissions

[305-7] Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions.

[EM-EP-120a.1] [EM-RM-120a.1] [RT-CH-120a.1] Atmospheric emissions of NOx (excluding N_2O), SOx, volatile organic compounds (VOCs), particulate matter (PM_{10}), H_2S (only in Refining & Marketing), HAPs (only in Chemicals)

SO_2, NOx and NMVOC emissions (t)	2020	2019
SO_2	24,401	26,949
NOx	18,825	19,876
NMVOC	24,361	31,747

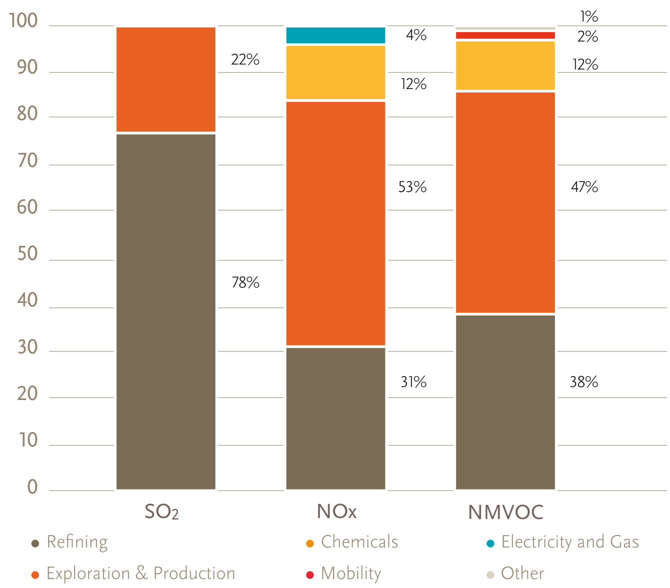
SO_2 and NOx emissions in the Refining and Chemicals businesses are measured with continuous concentration and smoke flow analyzers. When there is no continuous analyzer, internal environmental parameter guideline are applied, where the methodology for calculating these emissions is established.

In the rest of the businesses, the environmental parameters guideline is applied when the applicable regulations do not define a direct calculation or measurement methodology.

In the case of non-methane volatile organic compound (NMVOC) emissions, it is estimated using the methodology established in the environmental parameters guideline when there is no applicable local regulation.

Disclosure of significant atmospheric emissions by activity

Disclosure of significant atmospheric emissions by activity



SO_2 emissions were down by 9,5% compared to 2019; NOx emissions were down by 5% and NMVOC emissions by 23%. The reduction of SO_2 and NOx is mainly due to Refining having reduced its production activity. The reduction of NMVOCs is mainly due to the E&P Canada asset, owing to the drop in production at Edson and Chauvin.

Intensity of significant air emissions

Atmospheric 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	2020	2019
Tons of SO_2/ miles thousands of tons of processed crude oil	0.52	0.50
Tons of NO_x/thousands of tons of processed crude oil	0.16	0.15
Tons of NMVOC/thousands of tons of processed crude oil	0.26	0.26

Exploration and production(1)	2020	2019
Tons of SO_2/thousands of boe produced	0.031	0.027
Tons of NO_2/thousands of boe produced	0.056	0.055
Tons of NMVOC/thousands of boe produced	0.065	0.088

(1) The intensive indices were 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 were 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(3)	Peru(3)
Sulfur mg/kg	10	15	50-2,000
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) Maximum sulfur content depends on fuel type.

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[1,2,3]

[303-2] Management of water discharge-related impacts

[303-3] Water withdrawal

Water withdrawal [303-3]	2019		2020	
	All areas (m³)	Water-stressed areas (m³)	All areas (m³)	Water-stressed areas (m³)
Water withdrawal by source				
Surface water (total)	20,775,042	26,656	23,513,170	23,161
Fresh water (total dissolved solids ≤1000 mg/l)	20,775,042	26,656	23,513,170	23,161
Ground water (total)	3,014,990	2,571	2,749,468	9,921
Fresh water (total dissolved solids ≤1000 mg/l)	3,014,990	2,571	2,749,468	9,921
Seawater (total)	205,122,942	-	267,138,304	-
Other water (total dissolved solids >1000 mg/l)	205,122,942	-	267,138,304	-
Water produced (total)	59,197,943	-	53,155,706	-
Other water (total dissolved solids >1000 mg/l)	59,197,943	-	53,155,706	-
Third-party water (total)	37,525,502	258,775	30,404,486	299,787
Fresh water (total dissolved solids ≤1000 mg/l)	37,413,844	257,394	30,358,977	254,278
Other water (total dissolved solids >1000 mg/l)	111,659	1,381	45,509	45,509
Total water withdrawal				
Surface water (total) + groundwater (total) + seawater (total) + produced water (total) + water from third parties (total)	325,636,419	288,002	376,961,135	332,869

1. Water consumption, in the energy sector, has been reported until last year following the definition of the "2016 GRI standard 303-1-Water extraction by source" (captured water). This data currently corresponds to the information reported in the new GRI standard (2018) 303-3-Water extraction.

2. Our production processes do not materially alter water salinity, so we preserve water quality in our discharges.

3. In our E&P operations, production water is generated from oil and gas fields. Most of this water is re-injected into the productiion fields or into a deep geological formation. Since this water was not available as an ecosystem service and is returned to oil and gas fields without making an environmental impact, we do not report injected water as water discharge or consumption.

[303-4] Water discharge

Minimization of the impact of discharges, establishment of thresholds for quality standards for water returned to the environment and determination of priority substances are mainly based on compliance with the requirements under applicable legislation in each of the regions where Repsol operates and which are included in the discharge licenses for the facilities. For example, the requirements in the European Union under the Water Framework Directive, the Industrial Emissions Directive and the Best Available Techniques Reference Documents (BREFs).

For the Exploration and Production business, specific quality standards have been implemented to ensure minimum quality of discharges when there is no applicable regulation, through the Environmental Performance Practices (EPPs) on the quality of sanitary effluents, drilling fluids and production water and their impact on the environment, and the technical guide that establishes Plans for waste water disposal. These technical complementary documents for internal reference, take into account international standards recommended by IOGP, IPIECA and EPA.

The Refining and Chemical divisions have teams of water experts dedicated to disseminate knowledge, allowing to improve the management of the water discharge of processing units, by controlling the key parameters at the source, to implement best practices for metering or to develop guidelines for treating effluents.

Water discharge [303-4]

		2019		2020	
		All areas (m³)	Water-stressed areas (m³)	All areas (m³)	Water-stressed areas (m³)
Water discharge by destination					
Surface water		11,409,076	-	10,027,050	-
Seawater		230,977,632	-	289,457,782	-
Water to third parties		1,932,597	-	3,738,322	-
Total water discharge					
Surface water + groundwater + seawater + produced water + water from third parties (total)		244,319,305	94,832	303,223,154	77,010
Water produced and injected					
Water produced and injected		51,771,890	-	48,210,302	-
Water discharge by freshwater or other waters			-		-
Fresh water (total dissolved solids ≤1000 mg/l)		237,329,400	94,832	297,443,342	77,010
Other water (total dissolved solids >1000 mg/l)		6,989,906	-	5,779,813	-
Water discharge by treatment level					
Treatment level	Primary treatment or no treatment	7,018,888	-	6,125,057	-
Treatment level	Secondary treatment	227,190,096	-	286,414,542	-
Treatment level	Tertiary treatment	10,110,321	-	10,683,555	-

[EM-EP-140a.1, EM-RM-140a.1 and EM-CH-140a.1] Freshwater withdrawn

Total freshwater withdrawn by activity (thousands m³)	2020	2019
Exploration and Production	986	1,915
Refining and Mobility	37,247	37,722
Chemicals	12,647	14,193

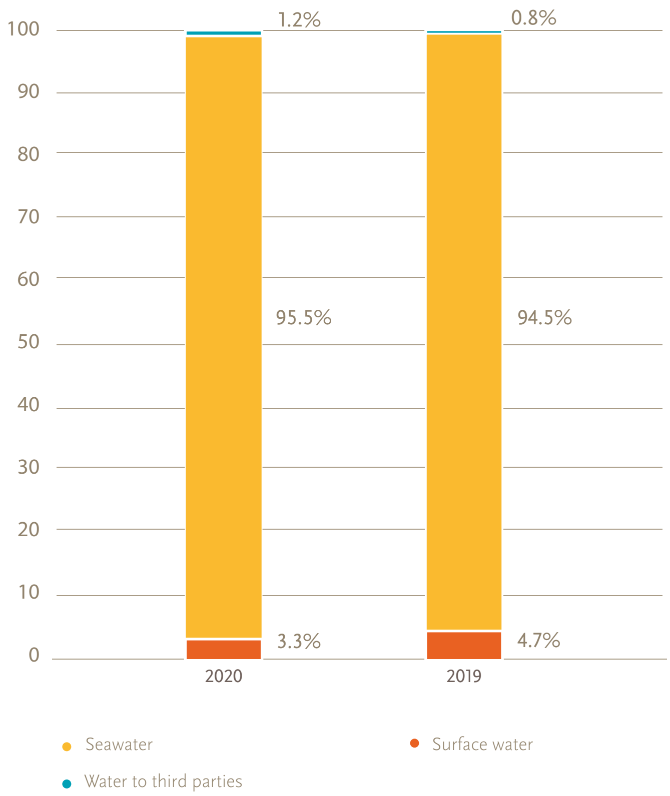
[EM-RM-140a.1] Percentage of water reused

(%) Water reused / Water entering operations	2020	2019
Refining and Mobility	25.8%	27.3%

[306-1] Water discharge by quality and destination

A total of 303.2 million m³ was discharged (In 2019, 244.3 million m³ was discharged). Water discharged by destination is shown below:

Water discharged by destination



Of the total water discharged into the sea, Electricity and Gas contributes 92.3%. In 2020, there was an increase over 2019 due to a seawater leak in the cooling system. The discharged water is part of an open cooling circuit that withdraws seawater and returns it in optimal physical and chemical condition.

Treatment of discharged water

The liquid 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).

Hydrocarbons discharged by activity in 2020

	2020		2019	
Activity	**tons**	**%**	**tons**	**%**
Exploration & Production	94.25	65.1%	123.54	66.4%
Refining	43.66	30.1%	55.65	29.9%
Chemicals	2.22	1.5%	1.34	0.7%
Mobility	4.19	2.9%	5.14	2.8%
Electricity and Gas	0.00	0.0%	0.00	0.0%
Others	0.50	0.3%	0.52	0.3%
Total	**144.82**	**100%**	**186.19**	**100.0%**

[G4-OG5] Volume and disposal of water

[EM-EP-140a.2] Volume of produced water and waste fluid generated during operations, percentage of produced water and waste fluid discharged, injected and recycled, and hydrocarbon content of discharged water

The following is the water produced and injected at Exploration & Production assets:

Water	**2020**	**2019**
Produced (thousand m³)	53,156	59,198
Injected (thousand m³)	48,210	51,772

[306-5] Water bodies affected by water discharges and/or run-offs

There are 26 water bodies significantly affected by discharge, of which:

- Thirteen correspond to maritime zones and thirteen are rivers.

- Eight are part of or in the area of influence of regionally, nationally or internationally protected areas.
- None of them affect wetlands listed under the Ramsar Convention.
- Twelve are classified as Key Areas for Biodiversity.
- None has a use or value that is incompatible with the Company's activity, so it does not interfere with local communities or indigenous peoples in the area.

The standards, methods and assumptions used are:

- % of water collected compared to the average value of the annual volume of the water body.
- *World Database on Protected Areas.*
- *Ramsar Sites Information Service.*
- *World Database of Key Biodiversity Areas.*
- *IUCN Red list of threatened species.*

[306-2] Waste by type and method of disposal

[EM-RM-150a.1] [RT-CH-150a.1] Hazardous waste generated, percentage recycled

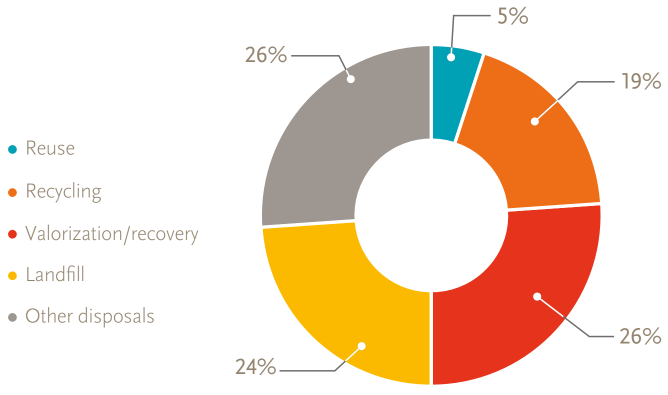
The following chart discloses hazardous and non-hazardous waste by activity:

	Hazardous waste (tons)		Non-hazardous waste (tons)	
Activity	**2020**	**2019**	**2020**	**2019**
Exploration & Production	5,509	7,609	24,760	174,126
Refining	16,423	23,116	41,017	48,209
Chemicals	9,481	16,601	11,427	17,535
Mobility	2,544	3,688	4,892	5,534
Lubricants and Specialist Products	135	127	397	416
LPG	42	205	1,464	835
Gas and Electricity	36	18	74	45
Others	77	70	548	634
Total	**34,247**	**51,434**	**84,579**	**247,334**

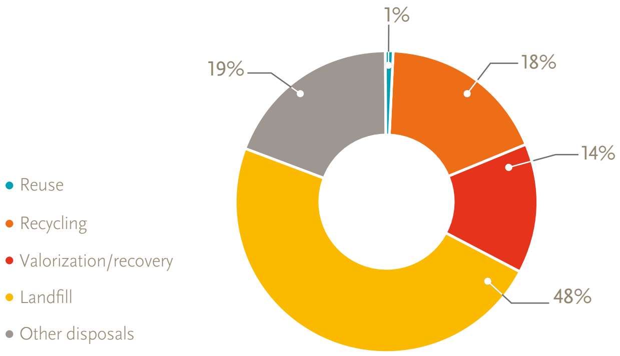
Hazardous waste decreased by 33%, mainly due to a drop in production activity in Refining and Chemicals, mostly caused by COVID-19. Non-hazardous waste decreased by 66% mainly due to E&P Canada, where fewer contaminated site remediation projects were executed in 2020, in accordance with the program established by the business unit. These circumstances led to a significant reduction in waste managed by the Company this year.

The graphs below report the treatment provided for hazardous and non-hazardous waste:

Hazardous waste management



Non-hazardous waste management



In 2020, non-hazardous waste disposal to landfill was reduced by 75% because fewer contaminated site remediation projects were implemented in Canada, in accordance with the program established by the business unit.

[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:

Drilling waste generated (kt)	2020	2019
Water-based cuttings and fluids	19,790	31,796
Non water-based cuttings and fluids	3,175	39,614

Management of waste from drilling operations (cuttings and fluids) is regulated by the Company's internal standards, established in the Environmental Performance Practices (EPP). These guidelines lay down a set of common standards to be followed in Exploration & Production business activities regardless of the geographical area of operation or the specific legislation of each country.

In 2020, drilling waste decreased mainly due to the discontinuation of drilling operations at the Marcellus asset (USA).

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

Repsol participates in the Proteus Consortium, where the UN Environment Programme World Conservation Monitoring Centre (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 on record on the World Database on Protected Areas (WDPA). This information is taken into account as a criterion in decision-making throughout the life cycle of projects implemented at the Company.

In 2020, the scope of this indicator widened to consider all assets in the countries where Repsol operates (in 2019 the scope was the Exploration and Production business and the countries of Bolivia, Ecuador and Peru). Those located in areas adjacent to protected areas and/or areas of high biodiversity value were:

Type of operation	Geographical location	Location with respect to protected area	Surface area within protected area (ha)	Type of protection
Corporate - Offices	Spain	Within protected area	1.50	Regional Park, Site of Community Importance (SCI)
Exploration and Production – Operation	Bolivia	Partly within protected area	155	Environmental Protection Area
	Canada	Partly within protected area	7,735	Natural Area, Provincial Park, private land for conservation
		Adjacent to protected area	-	Recreational Area
	Ecuador	Within protected area	7,000	National Park, Biosphere Reserve (UNESCO)
		Partly within protected area	58,276	National Park, Biosphere Reserve (UNESCO)
	Peru	Partly within protected area	5,614	Community Reserve
	Spain	Within protected area	16,025	Special Protection Area for Birds (SPA), Marine Protected Area (OSPAR)
		Partly within protected area	12,634	Special Protection Area for Birds (SPA), Marine Protected Area (OSPAR)
		Adjacent to protected area	-	National Park, Natural Park, Site of Community Importance (SCI), Special Protection Area for Birds (SPA)
	USA	Partly within protected area	5,005	Private Protected Area, Wetlands Reserve Program, Protected Waterway, State Forest, Local Conservation Area
Electricity and Gas	Spain	Within protected area	3.48	National Park, Site of Community Importance (SCI), Special Protection Area for Birds (SPA)
		Adjacent to protected area	-	Site of Community Importance (SCI), Special Protection Area for Birds (SPA)
LPG factories	Spain	Adjacent to protected area	-	Site of Community Importance (SCI), Special Protection Area for Birds (SPA), Natural Landscape
Asphalt plants	Spain	Adjacent to protected area	-	Site of Community Importance (SCI), Special Protection Area for Birds (SPA)
Chemical plants	Portugal	Adjacent to protected area	-	Site of Community Importance (SCI)
	Spain	Adjacent to protected area	-	Site of Community Importance (SCI)
Refineries	Spain	Adjacent to protected area	-	Site of Community Importance (SCI), Special Protection Area for Birds (SPA)

In the analysis of the protected areas, we considered all the operating centers of Repsol's different businesses except activities with a high geographical scattering (service stations, for example) or activities of a temporary nature.

[304-3] Habitats protected or restored

Restoration is the third step 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.

The following are activities or projects for the protection, restoration or other biodiversity management actions initiated in 2020 or earlier and continued this year. In all cases the standards and methodologies used in these activities were overseen by the competent independent legal bodies. In 2019 the scope of this indicator was the Exploration and Production business. Restoration initiatives were under consideration in Peru, Ecuador, the United States and Canada. In 2020, the number and type of restoration actions increased, as all centers operated by the Company's businesses were included in the scope.

Habitats protected or restored:

Location	Activity	Description of the protection or restoration action and its aims
Spain	Electricity and Gas	Covering of a section of the canal of the Torina Hydro Power Plant (Cantabria) to mitigate any barrier effect and preserve the continuity of the habitat, thus reducing the risk of animals falling in. This year approximately 135 meters of the canal were covered.
Spain	Electricity and Gas	Repsol takes part in the LIFE-DIVAQUA project. The main objective of this initiative is to restore and improve the condition of the aquatic habitats and species of Community interest of the Natura 2000 network in the Picos de Europa National Park in northern Spain and surrounding area.
Spain	Industrial	Biodiversity management actions on land owned by Repsol in the surroundings of the Gaià reservoir (SAC Riu Gaià in Tarragona) according to the Biodiversity Action Plan produced in 2011. In 2020, actions for recovery of carob tree groves and forest management continued, achieving 100% of the planned restoration. Biodiversity management actions were taken with the assistance of environmental consultants.
Peru	Upstream	In 2020, 1.76 hectares of tropical rainforest were reforested at two locations: Mapi-Mashira exploration area (Block 57) and Runtusapa exploration area (Block 101). Actions consisted of replacing dead plants, maintaining drainage channels, eradicating Kudzu and fertilizing seedlings. The condition of the area after restoration is 100% restored. For Mapi-Mashira (Lot 57), an agreement was reached with the executors of the contract for the administration of the Ashaninka Communal Reserve (ECOASHANINKA) and the native communities through the State Natural Protected Areas Service (SERNANP). All measures were approved in the Abandonment Plan by the regulator.
Canada	Exploration and Production	In 2020, forest, wetland and crop zone restoration actions were completed at 33 locations (wells and related facilities) at our operating sites in Canada. We restored a total of 69.3 hectares, achieving a status of 100% restored. All actions were approved by the competent legal authority.

Other biodiversity management measures:

Location	Activity	Description of the protection or restoration action and its aims
Spain	Electricity and Gas	Rescue of fish specimens from the canals of the Arenas and Camarmeña hydro power plants (Asturias). This activity is conducted annually in the presence of rangers employed at the Picos de Europa National Park and the relevant regional departments of Castilla y León and Asturias. This activity was carried out in 2020, taking advantage of the draining of the canals for maintenance.
Spain	Electricity and Gas	Annual campaign to monitor the ecological status/potential of reservoirs and rivers downstream of hydro power plants. The purpose of the campaigns is to monitor and prevent any impact on ecosystems directly related to the Company's hydro power activity.
Spain	Electricity and Gas	Painting of pipes at the Aguayo hydro power plant (Cantabria) to minimize visual impact on the environment. A study was carried out in 2019 and the pipe painting works are to be executed throughout 2019, 2020 and 2021.
Spain	Electricity and Gas	Painting of wind turbine blades to improve their visibility as an innovation and research initiative to prevent and monitor bird collisions in the surroundings of DELTA's wind farms in Aragon.
Spain	Electricity and Gas	Installation of devices that track wind turbines by webcam and use detection and deterrence sensors located in optimal positions to prevent bird collisions with wind turbines in the surroundings of DELTA's wind farms in Aragon.
Spain	Industrial	Ecological beaconing project with biotopes on the Tarragona coast to attract marine plant life and wildlife and form small reefs. Since the start of the project in 2012, 135 biotopes were distributed on the beaches of 6 municipalities of the Tarragona coast. In 2020 it was decided to install 5 biotopes on the beach of La Pineda (Vila-seca). Due to the situation created by the pandemic, the biotopes have been made but are yet to be placed.
Peru	Upstream	In 2020, Repsol conducted a natural capital analysis at Block 57, Peru, to understand and assess both the impacts and the mitigation measures put in place in the past in terms of the ecosystem services on which the local communities living within the concession rely. In carrying out these analyses, we applied the Repsol GEMI (Global Environmental Management Index) methodology. The main findings have been included in the Biodiversity Guidance to the Natural Capital Protocol.
Peru	Upstream	This year the Company took part in producing consultation guides for best social and environmental practices in the Amazon[1] for the mining, hydrocarbons, hydro power and transportation sectors. The guide focus on social inclusion and gender equality, forest and biodiversity management, water resource management, bodies of water and related biodiversity. The guides put forward concepts and best practices based on experiences with proven results.
Ecuador	Upstream	Yasuní Biological Monitoring is an unprecedented initiative in Ecuador. Repsol has carried it out for 25 years (1994-2019) at Blocks 16 and 76 to assess the environmental characteristics of the area of influence of operations over time. This year, the results of the fourth monitoring campaign (2018-2019) conducted by a specialized team of Ecuadorian and international experts were submitted to the authorities. The results show that the Yasuní area is one of the most biodiverse on the planet, and that the impact on ecosystems over time has been minimal-largely due to natural causes and human activity. No alterations caused by the Company's activities were identified in addition to the impacts already detected at the start of operations.
Bolivia	Upstream	During the preparation of the environmental impact assessment for the exploratory drilling project of the MGRP-X001 well in the Caipipendi Area development plan, eight caves were located; wildlife was present in two of them. The project was adapted in line with this finding to avoid impacting the caves wherever possible and to take preventive measures to minimize impact during implementation.
Malaysia	Upstream	In 2020, Repsol completed the Biodiversity and Natural Capital Assessment studies at two of our blocks (Kinabalu and PM3). The assessment is intended to provide the Company with a better understanding of the potential risks and impacts regarding biodiversity and natural capital from offshore operations. The research identified opportunities for improvement and analyzed the benefits of each of the mitigation options we are now implementing.
Canada	Upstream	This year Repsol conducted habitat education workshops for local Clearwater County residents. The main purpose of the workshops is to educate local residents and landowners in ways to support local wildlife. The workshops have included specific topic sessions on pollinator species, birds of prey, beavers and bats.
Spain	Upstream	In 2020, the method for acoustic monitoring and prediction of underwater noise that Repsol has developed for the Casablanca Platform, located off the coast of Tarragona, was presented at the IOGP Subcommittee, Sound & Marine Life. This tool was received with great interest by other companies in the sector and the details are being finalized so that it can be shared in the near future.
Spain	Corporate – Headquarters campus	This year the Company integrated the headquarters campus in Madrid into the LIFE Boosting Urban Green Infrastructure through Biodiversity-Oriented Design of Business Premises project, which promotes the design and management of business and industrial settings in a way that supports biodiversity and nature. Biodiversity management at the site will be monitored in the coming years.

(1) https://www.snmpe.org.pe/hidrocarburos/industria-y-mejores-practicas-sociales-y-ambientales-en-la-amazonia-usaid-guias-de-consulta-de-mejores-practicas.html

In addition, we are implementing measures that will focus on biodiversity management at wind farms and photovoltaic plants that will soon come online. The following are only some of the measures and lines of action that will be implemented in the coming months:

- Wildlife support and conservation measures:
  - Installation of nest boxes and modules for kestrels linked to the project setting: Sixty nest boxes and multipurpose poles will be installed for bird species within the scope of the projects.
  - Monitoring and control of birdlife mortality and use of space in the vicinity of wind farms during their operation and maintenance phase.
- Habitat support and conservation measures:
  - Installation of rabbit hutches to encourage rabbit populations and thus attract bird species to these feeding areas.
  - Restoration of the steppe environment in plots of wasteland, slopes and banks to enlarge the habitat of steppe bird species in the environs of the projects.
  - Creation of water locations within photovoltaic plants to generate biotopes.
  - Development of pasture control and management plans on the perimeter and within the interior of photovoltaic plants.
- Vegetation support and conservation measures:
  - Creation of vegetation screens around the perimeter of photovoltaic plants to support habitat connectivity.
  - Reforestation of 24 hectares of holm oak groves at the Valdesolar photovoltaic project.

[304-4] IUCN Red List species and national conservation list species with habitats in areas affected by operations

[EM-EP-160a.3.] Percentage of proven and probable reserves in or near sites with protected conservation status or endangered species habitats.

To prevent and mitigate impacts on biodiversity it is vital to determine the species present in the area of influence of the operation. Repsol uses the information provided through its involvement in the Proteus consortium to determine the species included in the IUCN Red List of Threatened Species. The following table shows the number of species that may be present at the Company's assets, by level of extinction risk:

Classification	Number of species
Critically endangered (CR)	96
Endangered (EN)	248
Vulnerable (VU)	628
Near threatened (NT)	763

In 2019, we reported 22 critically endangered, 73 endangered, 355 vulnerable and 429 threatened species. In 2020, indicator values rose, because the method was improved: in the analysis of species, we considered all the operating centers of Repsol's different businesses except activities with a high geographical scattering (service stations, for example) or activities of a temporary nature.

Repsol has 38% of proven reserves at operated blocks and 41% of probable reserves within or adjacent to protected areas.

[G4-OG4] - Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored

The following table sets out the percentage of major operating centers of the Exploration and Production business where risks to biodiversity were assessed and monitored:

Classification	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) As in 2019, the indicator is 100% under the assumption that all assets the Company operates have potential biodiversity-related risks.

People

Employment

In the context of exceptionality derived from the COVID-19 crisis, Repsol has rolled out a series of measures to safeguard the health of its employees, without affecting the continuity of its operations or service offered. The COVID-19 Coordination and Monitoring Committee has promoted various initiatives, among others: (i) adopting new approaches to organizing shift work in industrial activities; (ii) maintaining service at service stations in accordance with the safety and service requirements prescribed by the competent authorities; (iii) enabling agile teleworking for a large number of employees, with no impact on their productivity; or (iv) enabling a safe and orderly return to the new normality at the different work centers, guaranteeing the necessary biological capacity and individual protection measures.

For Repsol it has been a priority to protect employment during the crisis situation, in Spain and under the framework of actions to support the Company's Resilience Plan. Operations in non-strategic countries were downsized (20% reduction in Asia and 15% in Africa). Due to the decrease in market demand, the number of employees with temporary contracts has been 24% lower than in the previous year.

The information on employees is itemized below. Total staff (under own management and otherwise, calculated by percentage of occupancy of each employee), was 26,726 in 2020 (27,389 in 2019).

Overall employee figures	2020	2019
Headcount (1)	24,125	25,228
Average age	43.2	42.6

(1) Data refers to employees at the companies in which Repsol establishes policies and guidelines relating to people management, excluding managed company Societat Catalana de Petrolis, S.A. (formerly known as Petrocat).

Nationalities by country(1)	2020	2019
Spain	60	66
Canada	20	19
US	22	26
Algeria	10	16
Portugal	11	11
Brazil	10	10
Norway	10	12
Malaysia	8	8
Peru	8	11
United Kingdom	6	8

(1) Countries with the largest number of nationalities (excluding those of the country itself). In some countries, such as the United States and Canada, labor legislation does not require certain personal information about employees (nationality).

Number of employees by country

Country	2020	2019	Country	2020	2019
Germany	5	4	Libya	52	41
Angola		1	Luxembourg	3	3
Algeria	60	89	Malaysia	362	390
Aruba		0	Morocco	1	1
Belgium	2	2	Mexico	113	110
Bolivia	218	248	Norway	225	254
Brazil	112	115	The Netherlands	11	11
Canada	493	538	Papua New Guinea		1
Colombia	45	52	Peru	2,991	3,032
Ecuador	393	419	Portugal	1,381	1,412
US	591	535	United Kingdom	12	18
Spain	16,646	17,496	Russia	45	58
France	21	16	Singapore	24	43
Greece	1	2	Switzerland	3	2
Guyana	1	1	Trinidad and Tobago	8	10
Indonesia	98	76	Venezuela	139	141
Iraq		6	Vietnam	27	58
Italy	42	43			

[102-8] Information about employees and other workers

Number of employees by contract type and gender

		2020	2019
Permanent contract	Men	14,078	14,486
	Women	8,203	8,316
	Total	22,281	22,802
Temporary contract	Men	1,028	1,316
	Women	816	1,110
	Total	1844	2,426
TOTAL		**24,125**	**25,228**

Number of regular employees by job type and gender[1]

		2020	2019
Full time	Men	14,844	15,498
	Women	8,485	8,794
Part time	Men	262	304
	Women	534	632
Total		**24,125**	**25,228**

(1) Data for 2019 was recalculated based on the number of total employees (permanent and temporary).

Number of employees by region and gender

		2020	2019
Africa	Men	95	112
	Women	18	20
	Total	113	132
Asia	Men	369	424
	Women	187	208
	Total	556	632
Europe	Men	11,750	12,319
	Women	6,602	6,944
	Total	18,352	19,263
Latin America	Men	2,079	2,174
	Women	1,828	1,844
	Total	3,907	4,018
North America	Men	813	773
	Women	384	410
	Total	1,197	1,183
Total staff	Men	15,106	15,802
	Women	9,019	9,426
TOTAL		**24,125**	**25,228**

Average annual contracts by type of employment and contract [1]

	Temporary		Regular/Permanent			
Professional classification	**Full-time**	**Part-time**	**Full-time**	**Part-time**	**Total 2020**	**Total 2019**
Executive	0.0	0.0	260.2	1.0	**261.2**	**265.3**
Manager	6.7	0.0	2,473.7	26.0	**2,506.4**	**2,539.0**
Professional/Technician	294.4	4.5	9,935.4	172.8	**10,407.2**	**11,936.3**
Administrative	52.4	0.9	1,101.4	28.1	**1,182.7**	**978.6**
Workers	1,390.1	107.7	7,785.9	199.5	**9,483.3**	**8,869.0**
Total 2020	**1,743.6**	**113.1**	**21,556.6**	**427.4**	**23,840.8**	**-**
Total 2019	**2,461.0**	**186.2**	**21,856.9**	**84.0**	**-**	**24,588.1**

(1) The figures are calculated on the basis of the information available for each indicator and employee.

Average annual contracts by gender and age range [1]

Professional classification	**<30**	**30-50**	**>50**	**Total 2020**	**Total 2019**
Executive	**0.0**	**92.0**	**169.2**	**261.2**	**265.3**
Men	0.0	69.4	140.9	210.3	213.9
Women	0.0	22.6	28.3	50.9	51.4
Manager	**0.0**	**1,583.5**	**922.9**	**2,506.4**	**2,539.0**
Men	0.0	1,016.0	692.5	1,708.4	1,767.0
Women	0.0	567.6	230.4	798.0	771.9
Professional/Technician	**638.1**	**7,563.6**	**2,205.5**	**10,407.2**	**11,936.3**
Men	366.2	4,711.5	1,667.8	6,745.5	7,195.0
Women	271.8	2,852.2	537.8	3,661.7	4,741.3
Administrative	**75.0**	**773.7**	**334.0**	**1,182.7**	**978.6**
Men	32.0	233.2	121.2	386.3	328.5
Women	43.0	540.5	212.9	796.4	650.0
Workers	**1,487.8**	**6,067.8**	**1,927.7**	**9,483.3**	**8,869.0**
Men	743.8	3,698.6	1,437.4	5,879.8	5,864.2
Women	744.0	2,369.2	490.3	3,603.5	3,004.7
Total 2020	**2,200.9**	**16,080.7**	**5,559.2**	**23,840.8**	**-**
Total 2019	**2,600.0**	**16,629.1**	**5,359.0**	**-**	**24,588.1**

(1)To calculate this indicator, all existing contracts in the period have been taken into account, including existing contracts, first registrations and rehiring.

[401-1] New employee hiring and staff turnover

Overall contracts and turnover	2020	2019
New employees	1,733	3,800
Total turnover rate [1]	18%	21%
Executive turnover rate [2]	14%	7%
Voluntary turnover rate [3]	5%	6%
Number of dismissals	290	385

(1) Total departures over total employees at year-end.
(2) Total executive departures over total executives at year-end.
(3) Total voluntary departures over total employees at year-end.

The variation in the turnover rate is aligned with the goals of the 2021-2025 Strategic Plan toward a simpler operating model, streamlining the corporate structure and, in particular, with a focus on reducing the management structure in 2025.

Number and percentage of new hires

		<30				30-50				>50				TOTAL			
	Region	2020		2019		2020		2019		2020		2019		2020		2019	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Africa	Women	-	0%	-	0%	-	0%	2	12%	-	0%	-	0%	-	0%	2	10%
	Men	-	0%	-	0%	-	0%	4	4%	-	0%	-	0%	-	0%	4	4%
	Total	**-**	**0%**	**-**	**0%**	**-**	**0%**	**6**	**6%**	**-**	**0%**	**-**	**0%**	**-**	**0%**	**6**	**5%**
Asia	Women	1	6%	6	40%	7	5%	6	3%	-	0%	2	10%	8	4%	14	7%
	Men	3	12%	4	17%	25	9%	11	3%	1	2%	-	0%	29	8%	15	4%
	Total	**4**	**9%**	**10**	**26%**	**32**	**7%**	**17**	**3%**	**1**	**1%**	**2**	**2%**	**37**	**7%**	**29**	**5%**
Europe	Women	234	48%	573	87%	312	6%	699	14%	31	2%	61	5%	577	9%	1,333	19%
	Men	270	41%	637	73%	233	3%	599	8%	45	1%	83	2%	548	5%	1,319	11%
	Total	**504**	**44%**	**1210**	**79%**	**545**	**4%**	**1298**	**10%**	**76**	**2%**	**144**	**3%**	**1125**	**6%**	**2,652**	**14%**
Latin America	Women	179	34%	385	64%	95	8%	201	17%	-	0%	1	1%	274	15%	587	32%
	Men	118	31%	269	63%	57	4%	179	13%	5	1%	7	2%	180	9%	455	21%
	Total	**297**	**33%**	**654**	**64%**	**152**	**6%**	**380**	**15%**	**5**	**1%**	**8**	**2%**	**454**	**12%**	**1,042**	**26%**
North America	Women	6	25%	5	21%	21	9%	11	4%	2	2%	6	5%	29	8%	22	5%
	Men	7	10%	13	22%	56	10%	32	6%	25	12%	4	2%	88	11%	49	6%
	Total	**13**	**14%**	**18**	**21%**	**77**	**10%**	**43**	**6%**	**27**	**9%**	**10**	**3%**	**117**	**10%**	**71**	**6%**
Total	Women	420	40%	969	75%	435	7%	919	14%	33	2%	70	5%	888	10%	1,958	21%
	Men	398	35%	923	67%	371	4%	825	8%	76	2%	94	2%	845	6%	1,842	12%
TOTAL	**Total**	**818**	**37%**	**1,892**	**70%**	**806**	**5%**	**1,744**	**10%**	**109**	**2%**	**164**	**3%**	**1,733**	**7%**	**3,800**	**15%**

(1) Calculated as the number of new hires over to total employees as of December 2020, the rate reflects the number of new hires with no previous employment relationship with the Company as a ratio of the original population of the analyzed segment. The calculation uses the information available for each indicator.

Voluntary employee turnover

		<30				30-50				>50				TOTAL			
	Region	**2020**		**2019**		**2020**		**2019**		**2020**		**2019**		**2020**		**2019**	
		No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Africa	Women	-	0%	-	0%	-	0%	2	12%	-	0%	-	0%	-	0%	2	10%
	Men	-	0%	1	0%	2	3%	4	4%	-	0%	-	0%	2	2%	5	4%
	Total	**-**	**0%**	**1**	**100%**	**2**	**2%**	**6**	**6%**	**-**	**0%**	**-**	**0%**	**2**	**2%**	**7**	**5%**
Asia	Women	2	12%	3	20%	18	12%	20	12%	2	12%	-	0%	22	12%	23	11%
	Men	1	4%	5	22%	29	10%	30	9%	3	6%	4	6%	33	9%	39	9%
	Total	**3**	**7%**	**8**	**21%**	**47**	**11%**	**50**	**10%**	**5**	**7%**	**4**	**4%**	**55**	**10%**	**62**	**10%**
Europe	Women	61	12%	114	17%	121	3%	191	4%	48	4%	14	1%	230	3%	319	5%
	Men	61	9%	134	15%	150	2%	174	2%	112	3%	10	0%	323	3%	318	3%
	Total	**122**	**11%**	**248**	**16%**	**271**	**2%**	**365**	**3%**	**160**	**3%**	**24**	**0%**	**553**	**3%**	**637**	**3%**
Latin America	Women	183	35%	217	36%	125	10%	170	15%	5	6%	2	3%	313	17%	389	21%
	Men	112	29%	140	33%	83	6%	108	8%	21	5%	18	4%	216	10%	266	12%
	Total	**295**	**32%**	**357**	**35%**	**208**	**8%**	**278**	**11%**	**26**	**5%**	**20**	**4%**	**529**	**14%**	**655**	**16%**
North America	Women	1	4%	2	8%	13	5%	20	8%	2	2%	6	5%	16	4%	28	7%
	Men	2	3%	10	17%	26	5%	50	10%	3	1%	1	1%	31	4%	61	8%
	Total	**3**	**3%**	**12**	**14%**	**39**	**5%**	**70**	**9%**	**5**	**2%**	**7**	**2%**	**47**	**4%**	**89**	**8%**
Total	Women	**247**	**23%**	**336**	**26%**	**277**	**4%**	**403**	**6%**	**57**	**4%**	**22**	**2%**	**581**	**6%**	**761**	**8%**
	Men	**176**	**15%**	**290**	**21%**	**290**	**3%**	**366**	**4%**	**139**	**3%**	**33**	**1%**	**605**	**4%**	**689**	**4%**
TOTAL	**Total**	**423**	**19%**	**626**	**23%**	**567**	**4%**	**769**	**5%**	**196**	**3%**	**55**	**1%**	**1,186**	**5%**	**1,450**	**6%**

It has been calculated as the number of incorporations over the number of employees at the end of the year. The rate reflects new hires without previous employment relationship with the Company in relation to the origin population of analyzed section.

Total employee turnover

		<30				30-50				>50				TOTAL			
	Region	2020		2019		2020		2019		2020		2019		2020		2019	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Africa	Women	-	0%	-	0%	-	0%	3	18%	-	0%	-	0%	-	0%	3	15%
	Men	-	0%	1	0%	4	6%	7	8%	3	11%	2	9%	7	7%	10	9%
	Total	**-**	**0%**	**1**	**100%**	**4**	**5%**	**10**	**9%**	**3**	**10%**	**2**	**8%**	**7**	**6%**	**13**	**10%**
Asia	Women	3	18%	3	20%	29	19%	43	25%	5	29%	2	10%	37	20%	48	23%
	Men	1	4%	8	35%	41	14%	75	23%	10	20%	18	26%	52	14%	101	24%
	Total	**4**	**9%**	**11**	**29%**	**70**	**16%**	**118**	**23%**	**15**	**22%**	**20**	**22%**	**89**	**16%**	**149**	**24%**
Europe	Women	517	105%	648	98%	993	21%	1,150	23%	204	16%	202	17%	1714	26%	2,000	29%
	Men	533	81%	735	84%	766	10%	932	12%	504	14%	442	12%	1803	15%	2,109	17%
	Total	**1,050**	**91%**	**1,383**	**90%**	**1,759**	**14%**	**2,082**	**16%**	**708**	**15%**	**644**	**13%**	**3517**	**19%**	**4,109**	**21%**
Latin America	Women	220	42%	246	41%	141	12%	197	17%	5	6%	7	9%	366	20%	450	24%
	Men	130	34%	170	40%	125	10%	167	12%	50	13%	64	16%	305	15%	401	18%
	Total	**350**	**38%**	**416**	**40%**	**266**	**11%**	**364**	**15%**	**55**	**12%**	**71**	**15%**	**671**	**17%**	**851**	**21%**
North America	Women	5	21%	4	17%	28	11%	62	24%	25	22%	40	31%	58	15%	106	26%
	Men	2	3%	12	20%	58	11%	112	22%	42	21%	50	26%	102	13%	174	23%
	Total	**7**	**8%**	**16**	**19%**	**86**	**11%**	**174**	**22%**	**67**	**21%**	**90**	**28%**	**160**	**13%**	**280**	**24%**
Total	Women	745	70%	901	69%	1,191	18%	1,455	22%	239	16%	251	17%	2,175	24%	2,607	28%
	Men	666	59%	926	67%	994	10%	1,293	13%	609	14%	576	13%	2,269	15%	2,795	18%
TOTAL	**Total**	**1,411**	**64%**	**1,827**	**68%**	**2,185**	**14%**	**2,748**	**16%**	**848**	**15%**	**827**	**14%**	**4,444**	**18%**	**5,402**	**21%**

Calculated as the turnover of employees out of the total number of employees at December 31, 2020.

The figures are calculated on the basis of the information available for each indicator.

Number of dismissals

	<30		30-50		>50		TOTAL	
	2020	2019	2020	2019	2020	2019	2020	2019
Men	**6**	**20**	**87**	**142**	**83**	**83**	**176**	**245**
Executive	-	-	3	1	2	-	5	1
Manager	-	-	16	30	36	31	52	61
Professional/Specialist	-	5	51	70	22	40	73	115
Clerical	-	-	-	3	2	-	2	3
Manual	6	15	17	38	21	12	44	65
Women	**19**	**16**	**68**	**104**	**27**	**20**	**114**	**140**
Executive	-	-	-	-	2	-	2	-
Manager	-	-	9	10	2	2	11	12
Professional/Specialist	4	11	25	62	11	14	40	87
Clerical	-	1	8	9	4	-	12	10
Manual	15	4	26	23	8	4	49	31
TOTAL	**25**	**36**	**155**	**246**	**110**	**103**	**290**	**385**

Remuneration and benefits

[102-38] and [102-39] Ratios of annual total compensation and percentage increase in annual total compensation

Repsol analyzes wage markets in the countries and business sectors in which the Company operates and sets its internal objectives on the average salary position of its employees with these external market wage benchmarks. Criteria for establishing the sought-after wage 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 wage dispersion of the country and business sector in which the Company operates.

On an annual basis, the budgets for wage increases are decided by employee group, and criteria are established for maximum individual increases. The increase of the average wage of the entire workforce reflects the wage bills of the workforce of each professional group and the wage 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 wage remains unchanged.

In general, there were no substantial changes with respect to the previous year. In general terms, the evolution of the ratio was affected by the vegetative turnover of the workforce.

	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 average annual total compensation of all employees	
Country [4]	**2020**	**2019**	**2020**	**2019**
Bolivia	2.28	3.43	(0.11)	(0.69)
Ecuador	12.71	11.14	(1.84)	1.17
Spain[3]	13.88	13.94	2.73	(3.90)
Peru	14.78	13.50	(9.30)	0.58
Portugal	6.59	5.18	(1.85)	(2.36)
Repsol S.A.[3]	37.31	39.73	1.81	0.23
Canada	2.22	-	-	-
United States	2.18	-	-	-

(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) Total remuneration includes all monetary remuneration on a cash basis and, additionally, share-based payment.
(3) Data on the top Management of the Group at world level are not included in Spain and are reported in the disclosures of the company Repsol, S.A.
(4) The data reported include the most representative countries in terms of revenue and headcount. Two more countries were included in 2020 (Canada and the United States).

[202-1] Ratio of standard entry level salary by gender to local minimum wage

	Country minimum wage (local currency/ month)		Repsol minimum wage [2](local currency/ month)		Repsol wage/national minimum wage	
Country [1]	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Bolivia	2,122.00	2,122.00	12,000.00	10,000.00	5.66	4.71
Ecuador	400.00	394.00	979.31	979.31	2.45	2.49
Spain	950.00	900.00	1,182.44	1,137.53	1.24	1.26
Peru	930.00	930.00	930.00	930.00	1.00	1.00
Portugal [3]	740.83	700.00	764.17	723.33	1.03	1.03
Canada	2,600.00	-	3,750.00	-	1.44	-
United States	1,256.67	-	3,250.00	-	2.59	-

(1) The data reported include the most representative countries in terms of revenue and headcount. Two more countries were included in 2020 (Canada and the United States).
(2) The Repsol minimum salary reflected in the table includes only base wages and fixed allowances, excluding other remuneration such as variable bonuses or incentives or remuneration in kind.
(3) For 2019, data for Portugal is restated on a 12-pay basis.

In accordance with Repsol's equal opportunities policy, wages are established for a position without taking into account the gender of the person holding the position, including entry-level wages.

Repsol's fixed minimum wage is equal to or above the local minimum wage in all countries. Based on total remuneration, we pay above the minimum wage in all countries.

[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 aid	
Region	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Africa	-	75.8	13.6	97.8	129.5	15.4	14.8	146.5	-	-	49.7	127.5	0.6	9.8
Asia	657.5	817.0	1,496.6	1,722.4	3,896.4	4,135.3	33.8	68.3	-	-	783.5	1,122.7	-	-
Europe	2,417.6	2,684.5	13,896.5	13,865.3	34,056.3	42,511.6	10,709.3	11,426.4	818.4	696.9	2,330.6	2,257.0	264.4	257.1
Latin America	505.5	571.1	6,191.6	6,307.8	1,138.5	1,546.8	2,307.0	2,776.2	-	-	(1)	12.9	22.8	77.9
North America	346.0	250.4	7,678.2	6,374.9	12,464.20	13,945.9	159.0	199.1	-	-	288.2	372.0	970.4	1,113.9
Total	**3,926.6**	**4,398.8**	**29,276.50**	**28,368.2**	**51,685.4**	**62,154.9**	**13,223.9**	**14,616.5**	**818.4**	**696.9**	**3,451.0**	**3,892.1**	**1,258.1**	**1,458.7**

The information shows the benefits for all employees (full-time, part-time, fixed-term and regular).

As a rule, the Master Agreement and, in particular, the various collective bargaining agreements contain information on social benefits in terms of terms of access and scope. There is no difference in social benefits for temporary or permanent employees except for access to study aid, at companies that provide it, intended only for permanent employees.

Total social benefits expense decreased by 10% compared to 2019. This decrease is closely related to the reduction in headcount and in some cases to the profiles of departing 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 Managers		Technicians		Technicians II(4)		Administrative staff		Workers and laborers	
Country	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Bolivia	N/A	N/A	NS	N.S.	1.01	1.03	N/A	N.S.	NS	N/A	NS	N.S.
Canada	NS	-	0.96	-	0.82	-	N/A	-	NS	-	NS	-
Ecuador	NS	NS	NS	N.S.	0.83	0.85	N/A	N.S.	NS	N.S.	NS	N.S.
Spain	0.92	0.94	0.92	0.93	0.96	0.98	N/A	N/A	0.88	0.85	0.67	0.70
Peru	NS	N.S.	0.91	0.94	0.87	0.87	N/A	0.75	0.99	1.03	1.37	0.74
Portugal	NS	N.S.	0.97	0.94	0.80	0.91	N/A	0.89	1.11	0.89	0.55	0.55
United States	NS	-	0.85	-	0.79	-	N/A	-	NS	-	NS	-

(1) The data reported include the most representative countries in terms of revenue and headcount. Two more countries were included in 2020 (Canada and the United States)

(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).

(3) Includes all executives, except the CEO.

(4) In 2020, due to a grouping of categories, this category is integrated into Technicians.

There were no significant changes with respect to 2019. In the case of the manual workers in Spain, Peru and Portugal, 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 the categories of manual workers and junior workers, in Portugal the company with the lowest gap shows a figure of 0.77, while in Peru the highest gap is 1.13.

For information on total remuneration by gender *see Section 8.4.1. Human Capital* of this report

The following shows the ratio of women's average pay to men's average pay, and data on the pay gap. The required data were prepared using the same criteria and segmentations of the standard GRI indicators and following the requirements of Spanish Royal Legislative Decree 11/2018.

The data reported include the most representative countries in terms of revenue and headcount. Two more countries were included in 2020 (Canada and the United States). To provide a comparison with 2019, the values of the Professional/Technical, Clerical and Manual Worker categories were restated by applying to the data the segmentation and data collection criteria adopted in 2020..

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€	
2020	**2019**
USD 0.87558	0.89346 USD
0.248035 PES	0.26565 PES
0.65364 CAD	- CAD
BOB 0.12768	0.13019 BOB

Average compensation by occupational category [1]

	Average compensation 2020									
Occupational category	**Executives** [2]		**Manager**		**Professional/Specialist**		**Administrative staff**		**Manual**	
Country	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**
Spain	237,855	301,396	91,731	95,678	50,159	56,331	41,821	48,187	24,719	39,755
Peru	IC	255,537	99,687	102,274	32,615	40,471	10,412	11,227	5,096	9,854
Portugal	-	IC	88,143	91,417	33,680	46,038	35,235	32,852	13,050	30,096
United States:	-	440,670	200,765	236,991	99,813	129,693	55,505	45,348	-	82,085
Canada	IC	IC	136,196	144,970	70,503	87,205	55,238	-	61,766	87,876
Ecuador	-	IC	96,592	124,950	34,188	43,290	26,842	25,406	IC	32,300
Bolivia	-	-	140,042	135,263	67,187	71,719	75,816	IC	-	43,902

	Average compensation 2019									
Occupational category	**Executives** [2]		**Manager**		**Professional/Specialist**		**Administrative staff**		**Manual**	
Country	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**
Spain	274,322	312,865	93,684	98,933	50,692	57,553	40,226	49,949	26,147	40,376
Peru	IC	291,057	105,718	116,974	35,194	45,655	11,582	12,990	5,572	10,472
Portugal	-	IC	83,526	89,063	32,893	47,196	39,935	33,118	12,463	33,313
United States:	-	-	-	-	-	-	-	-	-	-
Canada	-	-	-	-	-	-	-	-	-	-
Ecuador	-	IC	99,379	125,245	36,429	44,970	25,675	26,831	25,368	33,018
Bolivia	-	-	143,717	145,004	70,678	72,134	75,392	67,164	-	46,469

Compensation broken down by age range (1)(2)

Age	<30				30-50				>50			
	Average compensation											
Country	**Women**		**Men**		**Women**		**Men**		**Women**		**Men**	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Spain	34,554	32,563	37,289	37,305	47,519	47,464	53,770	54,353	52,566	56,209	65,101	68,562
Peru	7,465	8,791	16,114	19,051	14,657	15,473	31,144	36,421	40,579	46,509	51,157	57,307
Portugal	18,198	16,071	22,261	22,015	23,095	21,279	36,068	36,871	34,395	34,668	56,015	55,535
United States:	59,683	-	85,631	-	116,616	-	160,874	-	116,169	-	195,747	-
Canada	51,857	-	77,455	-	81,275	-	100,196	-	95,530	-	110,521	-
Ecuador	23,037	22,458	24,968	26,830	38,483	39,939	38,914	41,514	96,350	101,008	67,599	66,019
Bolivia	33,610	34,460	36,216	39,549	71,627	74,411	74,390	75,998	94,809	96,523	109,369	110,686

(1) All cash remuneration received by employees, accounted for on a cash basis and stated in euros. Expatriate personnel from other sources and employees who left the company before December 31 of the year in question are excluded.
(2) Includes senior management and other executives except the CEO, whose remuneration is disclosed in *Section 28.1. of the consolidated financial statements*, in detail and in itemized form, both for his executive and Board functions.

Gender gap(1)

Occupational category	Executives(2)		Manager		Professional/Specialist		Clerical		Manual		Adjusted gap in country (4)	
Country	**Women / Men**		**Women / Men**		**Women / Men**		**Women / Men**		**Women / Men**		**Women / Men**	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Spain	0.79	0.88	0.96	0.95	0.93	0.93	0.97	0.97	0.91	0.92	0.96	0.96
Peru	-	1.08	0.95	0.93	0.87	0.84	1.05	0.92	0.72	0.75	0.96	0.98
Portugal	-	-	0.97	0.95	1.08	0.80	1.08	1.07	0.88	0.84	0.97	0.94
United States:	-	-	0.84	-	0.75	-	1.05	-	-	-	0.82	-
Canada	1.01	-	0.94	-	0.81	-	-	-	0.70	-	0.86	-
Ecuador	-	-	0.77	0.79	0.79	0.81	1.06	0.96	0.62	0.77	0.84	0.86
Bolivia	-	-	1.05	0.99	0.94	0.97	1.18	1.12	-	-	0.97	0.99

(1) All cash remuneration received by employees, accounted for on a cash basis and stated in euros. Expatriate personnel from other sources and employees who left the company before December 31 of the year in question are excluded.
(2) Includes senior management and other executives except the executive director, whose remuneration is disclosed in section 28.1. of the consolidated financial statements, in detail and in itemized form, both for his 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 entities 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 the employees of these countries together without distinction, the average pay of all women divided by the average pay of all men would make for a gross gap of 0.75.

The changes with respect to 2019 in average compensation and gender pay gap are not significant, and are mainly due to staff turnover, which may have a greater impact on smaller groups. In some countries, the variation of the exchange rate to euros had a more significant impact, especially in the salaries shown for Peru (see table of exchange rates for 2020 and 2019).

Employment framework and health at work

[102-41] Collective bargaining agreements

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

In 2020, 1,752,314.22 hours of absenteeism were recorded, making for an increase of 7.69% over the previous year (1,640,064.92 hours in 2019) as a result of the current pandemic, with a particular impact on work centers that continued on-site activity. At the Company's discretion, hours of absenteeism exclude incidents caused by occupational accidents or professional illnesses. This year, figures are included for Malaysia, Ecuador and Norway, and thus encompass 97.35% of total employees.

Repsol has employees under collective bargaining agreements in Spain, Peru, Portugal, Brazil, Indonesia, France, Italy and Norway. More than 85.37% of employees (86.95% in 2019) in these countries are covered by collective agreements. The detail for each country is shown below:

Employees covered by collective bargaining agreements

Country	% employees under collective bargaining agreements	
	2020	2019
Spain [1]	100%	100%
Brazil	93.75%	93.7%
Indonesia	82.4 %	-
Peru [2]	11.23%	10.57%
Portugal [3]	67.53%	99.47%
Norway	23.47%	23%
France	100%	100%
Italy	100%	100%

(1) Although a few are governed by their individual contracts in some matters.
(2) The 2019 figure is restated to make it comparable to 2020.
(3) Excludes partial retirees. The figure for 2020 is lower because this year the corporate scope was widened to all companies in the country, some of which do not have the entire workforce covered by a collective bargaining agreement.

Health and wellbeing

Repsol has in place a strategic framework for Health and Wellbeing as an essential value that guides all activities. The aim of each action is to help employees become aware of their health and well-being and preserve or improve it.

[403-1] Occupational health and safety management system

The health management system covers all company employees in all activities and work centers. Emergency medical care also covers contractors.

Repsol complies with the legal requirements of each of the countries where it operates and with its own internal regulations, following the best practices of the industry (IOGP, OSHAS). Repsol is regularly audited internally and externally in accordance with the legislation of each country or for obtaining and maintaining certifications, integrated in each business.

Internal regulations are reviewed regularly to incorporate legislative changes and improvements. The latest review started in 2020 and will be completed in 2021.

Repsol SA and Repsol Bolivia are certified as Empresa Saludable ("Healthy Company").

[403-3] Occupational health services

Health services are available in all countries where Repsol is present to cover health care and preventive and health promotion activities. In some countries the services are covered in part by the company's own employees (Bolivia, Ecuador, Spain, Portugal and Venezuela). In the remaining countries they are engaged from a supplier. All professionals who provide these services have the necessary qualifications according to the type of activity to be performed: occupational health, emergency care, community health, etc.

Medical centers are on or offsite depending on the type of activity and work center. In offshore and field sites and large industrial facilities, a medical center is available within the facility itself and provides care 24 hours a day, 7 days a week. At office buildings, such as in Madrid, Lisbon, Quito, Santa Cruz de la Sierra and Puerto La Cruz, medical services are available at the work center itself and cover the whole or part of the business day, depending on the number of employees at the center and the requirements of each country's legislation.

Preventive medical examinations are conducted according to protocols drawn up according to assessed risks at the workplace and at the intervals established in the legislation of each country. The checkups are managed by Medical Services or by a representative of the country's occupational health function. Depending on the type of risk to which an employee is exposed, a medical examination may be mandatory or voluntary.

The confidentiality of medical information is protected by using computer applications that conform to the data protection laws in force in the country or to Repsol's own standards, which follow Spanish legislation. Only employees themselves have access to their health data.

Compliance with health data protection regulations is regularly audited internally. There may be external audits if the country's legislation so requires.

The company receives prevention recommendations for workstation or activity adaptations or support measures for emergency evacuation without reference to the health reason for these recommendations.

Aggregate information from medical examinations and health campaigns is also provided to evaluate the performance of preventive and health promotion programs and make improvements.

In 2020, health checkups were adapted to the circumstances of the pandemic. They were suspended during lockdown periods and had to be adapted to preventive measures to avoid COVID infection, such as reduced capacity at medical centers. Telemedicine consultations were set up to assist employees in this pandemic situation.

[403-4] Worker participation, consultation, and communication on occupational health and safety

The company uses a wide range of media to provide employees with information on health, prevention measures, campaigns and activities: intranet, e-mail, digital signage, newsletters, brochures, surveys on health services.

Employees receive information on risk assessments for their job positions. In 2020 in Spain, as required by legislation, we conducted a risk assessment for exposure to the coronavirus.

Either by legal requirement or good Company practice, the following health and safety committees are in existence:

Country	Committees
Algeria	In November 2019, a Health and Safety Committee was established where the workers of the Algiers office are represented. Workers on international assignment are represented on the Campus Health and Safety Committee.
Bolivia	Joint Health and Safety Committee since September 2020 under HSE management.
Canada	In Canada (specifically Alberta) there is a new requirement under the Occupational Health and Safety Code ("OHS Code") whereby employers with 20 or more employees in a workplace must establish a "Joint Worksite Health and Safety Committee" ("HSC"). This committee comprises representatives elected by the employer and by the employees. In general terms, the role of the HSC is to advise and assist with health and safety in the workplace (but it is not responsible for management). This includes hearing and addressing concerns raised by workers, identifying hazards, developing and promoting education programs, taking part in investigations where appropriate, and conducting quarterly safety inspections. As a result of these changes, HSCs have been established at our three locations in Canada: Calgary, Edson and Chauvin.
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 required to prevent psychosocial risk factors.
Ecuador	Central Committee in Quito and two subcommittees in Block 16 (NPF and SPF). By law, every committee or subcommittee has 6 representatives of the company and 6 representatives of employees. The information managed in the committees must be sent annually to the authorities.
Spain	Joint 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)
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 Health and Safety Committee at company level, with the involvement of both management and employee representatives.
Mexico	A Health and Safety Committee was set up in February 2019. The Committee represents 100% of employees (with a position at the offices).
Norway	There are 2 Joint Committees on behalf of the company and employees' representatives. All employees are represented. OFFSHORE: There are at least 12 safety delegates (representing each area: drilling, processes, services, etc.) elected by SAFE. Every quarter 2 of them attend the Environmental Committee held onshore (Committee: two safety delegates, two managers, one P&O representative and the Business Unit physician). ONSHORE: There are 2 safety delegates who meet with management on a quarterly basis.
Peru	Three occupational health and safety committees and four subcommittees. These committees and subcommittees have a parity-based membership, with an equal number of representatives of management and of employees. 100% of employees of the companies RELAPASAA, RECOSAC and REPEXSA are represented. All committees encourage occupationalhealth and safety and advise on and monitor compliance with health and safety regulations and standards.
Portugal	Sines: Occupational Health and Safety Committee, with representatives of employees and the company.
United Kingdom	The JV has employee safety representatives for the offshore facilities, elected by employees. The HSE Committee comprises members from different areas of the business who meet every two months. Safety representatives may have contractor members, so may be affiliated with a union, but there is no way of knowing this information.
Russia	There is no formal committee, although there are good practices pursuant to Company policy. Repsol representatives sit on the Health and Safety committees at the two JVs (Eurotek-Yugra and Alrep).
Venezuela	Internal committee with three delegates representing workers. 75.5% of workers are represented.

[403-6] Promotion of worker health

At the beginning of the year, we plan prevention and health promotion activities at the company level, based on the strategic health and wellbeing framework.

This year, special emphasis was placed on vaccination against influenza worldwide and other diseases such as hepatitis A and B, diphtheria, tetanus, measles, rubella, mumps and yellow fever.

The following are some of the prevention and health promotion activities carried out during the year.

- Programs relating to physical activity/sedentary/ergonomics/prevention of musculoskeletal problems: Bolivia, Canada, Colombia, Ecuador, Spain, Indonesia, Malaysia, Peru, Portugal, Russia, USA, Venezuela, Vietnam.
- Programs relating to mental/emotional health/psychosocial risk: Brazil, Canada, Colombia, Ecuador, Spain, Venezuela, Vietnam.
- Cardiovascular risk prevention programs: Bolivia, Brazil, Colombia, Ecuador, Portugal, Spain.
- Programs on nutrition: Ecuador, Peru.
- Awareness and prevention of addictive behaviors (tobacco, alcohol, drugs, technology, etc.): Bolivia, Canada, Spain, Mexico, Portugal, Vietnam.
- Cancer awareness and prevention (colon, breast, prostate): Bolivia, Brazil, Ecuador, Spain, Mexico, Portugal, USA.

[403-10] Work-related ill health

In 2020, one occupational disease related to musculoskeletal pathology in a man was reported. It did not require sick leave or a change of job.

Talent development

Repsol has in place a talent development model based on a generic competencies system and regular talent and performance assessment processes to identify key personnel according to the needs of the organization.

Talent development tools include mobility to positions with opportunities for professional development and retraining supported by programs for leadership development, reskilling or upskilling.

General training data

	2020	2019
Investment per employee[1] *(euros)*	316	583
Total investment in training (*millions of euros*)	7.5	14.3
Training hours per employee[1]	32	36

(1) Data obtained from the average accumulated workforce

[404-1] Average hours of training per year per employee

Average training hours per year by person and by gender[1]

Job category	Hours of training/year	Total 2020	Total 2019
Executives	Hours of training/year	9,715	18,642
	Person	37	70
	Women	39	81
	Men	37	68
Manager	Hours of training/year	83,072	109,662
	Person	33	43
	Women	38	49
	Men	31	41
Professional/ Specialist	Hours of training/year	325,884	406,352
	Person	31	34
	Women	33	33
	Men	30	34
Administrative staff	Hours of training/year	24,127	15,686
	Person	20	16
	Women	21	17
	Men	20	14
Manual	Hours of training/year	326,337	334,151
	Person	34	38
	Women	16	18
	Men	46	48
Total	Hours of training/year	769,135	884,493
	Person	32	36
	Women	26	29
	Men	36	40

(1) Data obtained from the average accumulated workforce.

[404-2] Programs for upgrading employee skills and transition assistance programs and [403-5] Worker training on occupational health and safety

Learning in Repsol aims to develop the professional capacities needed for effective performance in pursuit of the Group'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, while supporting employee health and safety.

Lockdown measures since March accelerated the migration of programs to online methods, leading to a cost reduction of close to 50%. In addition, a system was developed to continue complying with the requirements to obtain a training bonus in Spain.

Area	Subject
General	Online training on the Sustainable Development Goals was made available to all employees to explain the commitments of the 2030 Agenda and raise employee awareness of the goals, with special emphasis on those to which the Company is most committed. 1,288 employees have participated in this training action so far.
Health, Safety and Environment	Online training relating to COVID-19 was made available to all employees to disseminate health and prevention measures and the procedures put in place by the company to protect the health of all employees. The range of COVID-related training programs were completed by a total of 16,599 employees. At the company-wide level, the deployment of the Safety Leap program was completed. In 2020, more than 1,703 people took part. There is also an online version, and we are working to adapt the content of the program to specific businesses and groups. Another line of action is training in the Human Factor. More than 300 people were in training in 2020, with the aim of expanding the scope in the coming years. The average number of hours of health, safety and emergency response training amounts to 11 hours of training for permanent employees and 1 hour for employees with less than 6 months of seniority.
Master Programs	On June 1, the twentieth staging of the Industrial Master's program came to a close. On this occasion, due to the health crisis, most classes were taught in an online format. As of that date, the 30 students who took part returned to their jobs. Unlike in previous editions, the students of this twentieth staging of the master's degree program began their career at the Company with a four-month internship at their destination workplace and then began classes. On July 13, the closing ceremony of the 20th edition of the E&P Master's program took place, with the graduation of 23 students. For the first time, women outnumbered men.
Upstream	Support for the One Repsol Way program, which is aligned with the strategic goal of standardizing work processes in all areas of the business, with disciplines such as Maintenance, Subsurface, Production, Safety and Operations.
Refining and Chemicals	Industrial Safety focused on actions arising from the strategic plan with a significant emphasis on process safety, through functional workshops for all areas involved. Existing content was redesigned in an online format to continue offering employees the necessary training for optimal job performance.
Marketing and LPG	Multiskilling : Training program for the entire Repsol sales force (960 people), with a cross-cutting and uniform orientation among the Businesses and a customer focus. More than 70 training actions: Developed a two-course university program on the specialization of the sales force in the energy sector. Management transformation plan for managers at the LPG factory. Training pathway on International Trade for the Lubricant Business to train specialists in this field. Training for all Campsared managers in Occupational Risk Prevention. Training in the Company's code of ethics and conduct for Campsared's 4,000 salespeople. Training plan for partnered companies of the various Repsol Businesses: More than 70 courses for 5,000 people.

[404-3] Percentage of employees receiving regular performance and career development reviews

Performance and career development reviews At Repsol

Job category	Gender	2020 %	2019 %
Executives	Women	95.74	96
	Men	95.98	92.49
	Total	95.93	93.18
Manager	Women	98.58	98.02
	Men	97.53	95.46
	Total	97.86	96.24
Professional/Specialist	Women	92.36	65.20
	Men	86.92	76.10
	Total	88.82	71.82
Administrative staff	Women	67.17	82.10
	Men	46.35	64.12
	Total	60.41	76.08
Manual	Women	66.42	93.49
	Men	74.89	82.41
	Total	71.65	86.19
Total	**Women**	**79.95**	**78.62**
	Men	**82.38**	**80.61**
	Total	**81.47**	**79.87**

(1) The 2019 data was recalculated to include data from Campsared and Gespost.

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 *Section 8.4. 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.

Other actions include membership of the ClosinGap cluster, whose goal is to analyze the opportunity cost of the gender gap, involvement in the “Women walking towards employment” program, the REPSOL Digital Girls initiative to awaken STEM vocations in girls and young women, with a presence in the final of the Technovation Girls Challenge.

To expand the space for inclusion and strengthen the inclusion of LGBTI+ employees, the Aliad@s Repsol group takes part in working groups to increase its impact and position itself as a benchmark.

[405-1] Diversity in governing bodies and employees

Number of employees by category, age and gender

		2020			2019		
Job category		**<30**	**30-50**	**>50**	**<30**	**30-50**	**>50**
Executive	Women	-	23	24	-	26	25
	Men	-	69	130	-	78	135
	Total	-	92	154	-	104	160
	% M	0%	25%	16%	0%	25%	16%
Manager	Women	-	562	214	-	551	207
	Men	-	1,004	652	3	1,047	690
	Total	-	1,566	866	3	1598	897
	% M	0%	36%	25%	0%	34%	23%
Professional/Specialist	Women	260	2,873	537	821	3,473	513
	Men	359	4,692	1,790	702	4,954	1,803
	Total	619	7,565	2,327	1,523	8,427	2,316
	% M	42%	38%	23%	54%	41%	22%
Clerical	Women	42	535	221	19	457	200
	Men	27	231	126	21	204	115
	Total	69	766	347	40	661	315
	% M	61%	70%	64%	48%	69%	63%
Manual	Women	757	2,464	507	460	2,179	495
	Men	752	3,724	1,550	658	3,771	1,621
	Total	1,509	6,188	2,057	1,118	5,950	2,116
	% M	50%	40%	25%	41%	37%	23%
Total	**Women**		**9,019**			**9,426**	
	Men		**15,106**			**15,802**	
	Total		**24,125**			**25,228**	
	% M		**37%**			**37%**	

[202-2] Proportion of senior management hired from local community

	% Executive Personnel, Managers and Technical managers from the local community (1)	
Country	**2020**	**2019**
Algeria	11.11%	6.25%
Bolivia	82.93%	86.36%
Brazil	65.71%	55.88%
Canada	57.28%	83.33%
Colombia	75.00%	64.71%
Ecuador	100.00%	94.12%
US	14.53%	65.68%
Spain	93.13%	89.46%
Indonesia	52.00%	54.55%
Libya	38.89%	60.00%
Malaysia	83.58%	80.00%
Mexico	62.16%	55.00%
Norway	71.74%	69.23%
Peru	85.96%	86.03%
Portugal	90.54%	89.04%
Russia	83.33%	47.06%
Venezuela	96.77%	93.75%
Vietnam	76.92%	66.67%

(1) Includes Executives and 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.

[401-3] Parental leave

The figures of this indicator are based on the number of employees. This year, data from other countries in addition to Spain are included. Data for 2019 has been recalculated. Only countries for which data are available are included (equivalent to 95% of employees).

Return to work		2020	2019
Total employees entitled to leave	Women	279	311
	Men	381	458
	Total	**660**	**769**
Total employees that took leave	Women	279	311
	Men	381	458
	Total	**660**	**769**
Total employees that returned to work after leave	Women	261	278
	Men	371	431
	Total	**632**	**709**
Return to work rate(1)	Women	94%	89%
	Men	97%	94%
	Total	**96%**	**92%**

Retention		2020	2019
Total number of employees that were still employed 12 months after their return to work	Women	265	175
	Men	430	315
	Total	**695**	**490**
Retention rate(2)	Women	95%	94%
	Men	100%	98%
	Total	**98%**	**97%**

(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 ending leave the previous year.

In the calculation of indicators relating to return to work, data from all countries except the United States, Canada and Germany was used in 2020. The 2019 indicators were recalculated with the same scope.

Human Rights and Community Relations

Risks, opportunities and due diligence

Management approach

[EM-EP-210a.3] Description of participatory processes, due diligence practices with respect to human rights, indigenous rights and operation in conflict areas.

In accordance with Repsol's Human Rights and Community Relations Policy published in 2008, the company respects internationally recognized human rights. These rights encompass the rights set forth in the International Bill of Human Rights and the principles set forth in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, as well as the eight Fundamental Conventions that implement them: freedom of association (N. 87), collective bargaining (N. 98), forced labor (N. 29, N. 105), child labor (N. 138, N. 182), fair wages (N. 100) and discrimination (N. 111). Repsol promotes respect for employees' human rights and ensures compliance with these rules throughout the value chain. (*For further information, see Appendix III-Human Rights and Community Relations – indicators [407-1], [408-1], [409-1].*)

Moreover, the unique nature of indigenous, tribal, aboriginal and native peoples is recognized and respected. Repsol also recognizes and respects their rights, in accordance with current legislation and ILO Convention 169, whether or not it is part of the national regulations of a given country.

This includes, inter alia, rights to land, territory and resources, including the right to water; to their organization and to their social and economic structure; and to free, prior and informed consultation, through appropriate procedures and, in particular, through their representative institutions, whenever legislative or administrative measures are envisaged that may affect them directly, in good faith and in a manner appropriate to the circumstances, with the aim of seeking understanding or contributing to the achievement of consent on proposed mitigation measures.

Working in a conflict zone requires using strategies that do not aggravate the conflict and promote peace, such as:

- Partnership with prestigious international organizations such as the UNDP (United Nations Development Program) to carry out social investment projects that improve the quality of life of local communities and show an ongoing commitment to sustainable development.
- Implementation of the Voluntary Principles on Security and Human Rights on the use of security forces in our operations.
- Human rights training for employees of the National Oil Company to raise the standard of work.
- Support for HSE culture to ensure the safety of employees and operations.
- Compliance with Repsol's highest Ethics and Anti-Bribery and Corruption (ABC) standards and requirements.
- Gaining our license to operate by building up the Operator social performance skills.

Repsol is currently operating in Libya, where it leads a consortium of companies that work alongside the National Oil Company at two assets. Repsol works to the highest human rights and security standards in all its operations, with special attention to conflict areas. Stakeholder identification is key to human rights management, in conjunction with risk assessment and training of security contractors. In Libya, we place our human rights expertise at the disposal of the consortium and provide training to National Oil Company employees to ensure compliance with the Company's standards.

The Company's goal is to build strong relationships with communities within the area of influence of our projects and assets, based on the principles of respect, cultural sensitivity, integrity, accountability, transparency, good faith and non-discrimination. For indigenous communities, this is reflected in the signing of formal agreements to create shared value with the communities and support their sustainable development.

The political commitment, due diligence processes and grievance mechanisms are detailed in *Section 8.2.2 Respect for human rights and community relations*, as adapted to the specific rights of indigenous peoples.

[EM-EP-210b.1.] [RT-CH-210a.1] Discussion of engagement processes to manage risks and opportunities associated with community rights and interests

The Company has in place an organization, procedures and systems so as to reasonably manage the social, environmental, cultural and economic risks surrounding the management of human rights of communities in the areas in which Repsol operates. This risk management constitutes an integral component of the Company's decision-making process, at the level of corporate governance bodies and in business management. Human rights risks are integrated with corporate management as part of the Enterprise Risk Management System (ERMS System), both in the management of strategic risks (reputation and image) and operational risks (Code of Ethics and Conduct).

The due diligence processes applied by Repsol to assess impacts arising from start-up of operations are set out in *Section 8.2.2 of Respect for human rights and community relations* and in the corresponding section of *Appendix III*, as adapted to the specific rights of indigenous peoples.

The Company applies its Environmental, Social and Health Impact Assessment Standard (ESHIA) to ensure that environmental, social and health impacts are properly identified and mitigated. This ensures that our businesses engage in inclusive dialogue with stakeholders during the impact assessment process, provide them with relevant information and involve them in the actions to be undertaken as specified in the prevention, mitigation and monitoring plan. The measures to be implemented to manage environmental, social and health impacts consider the needs and priorities of stakeholders and avoid direct monetary compensation.

Different processes, procedures and practices are in place to manage community interests:

- Implementation of specific socially sensitive environmental projects.
- Engagement with local organizations that protect community interests.
- Opening of channels for direct dialogue, such as the Public Advisory Panel, where local residents' concerns and interests can be discussed.

As a practical example of social impact mitigation, in an area of Wayuu indigenous communities in Colombia, the Company conducted a human rights impact assessment with an inclusive approach and respect for indigenous cultures. Repsol's approach was previously presented to the traditional local authorities. Interviews were conducted so as to achieve diversity, with the goal of ensuring the active involvement of the communities. The study results were shared with the communities through collective meetings in the local language (wayunikki), where issues related to territoriality, loss of identity of young people, and labor, economic, women's and environmental rights were identified. However, the key identified issue was the protection of sacred spaces and the cultural impact. As there was no feasible mitigation measure, the Company's decision was not to continue operations in this block, consistently with Repsol's policy in terms of recognition and respect for communities' cultural diversity.

Examples of environmental impact prevention and mitigation are set out in *Section 8.4 Environment*.

The Company identifies and strengthens positive impacts and shared value in regions where it is present as a result of a consensus with communities. A key tool for achieving positive impacts are social investment initiatives. Priority is given to entrepreneurship projects that empower local communities to avoid future dependency. Furthermore, our activity has a positive impact through wealth creation in our sphere of influence, via local employment and supplier development. The context determines the scope and specific form of the investment. In 2020, social investment came to 37.8 million euros. See Indicator (203-1 and 203-2) for more information and examples of social investment projects.

Monetary contributions to foundations and non-profit entities in 2020 amounted to 7.01 million euros (8.49 million euros in 2019).

Country	Project	SDGs
Brazil	**Humanitarian aid COVID-19 field hospital** Repsol made a financial contribution of more than 225,000 euros for the construction of a 200-bed field hospital as emergency support for the COVID-19 pandemic in a strategic district of Rio de Janeiro, close to several underprivileged communities.	3 Good health and well-being; 17 Partnerships for the goals
Libya	**Access to water in areas of scarcity in Zintan** In Libya, a country in conflict where scarcity makes water the most precious commodity, the project to improve access to water is ongoing. In 2020, we invested 870,000 euros to benefit a community of around 16,000 people. The sustainability of this three-year project is ensured through partnerships with the authorities, who are in charge of the maintenance of the facilities.	6 Clean water and sanitation; 17 Partnerships for the goals
Algeria	**Desanding of access to local schools to access points to local schools** The consortium of companies operating Reggane conducts periodic removal of sand barriers to school entrances in the wake of the frequent sandstorms. This simple civil engineering work, with an investment of less than 9,000 euros, has an immediate positive effect for the 150 schoolchildren in the communities near Repsol's operations.	4 Quality education; 9 Industry, innovation and infrastructure; 17 Partnerships for the goals
Canada	**Project Gazelle for women entrepreneurs** Repsol has partnered with Community Futures in Project Gazelle, a business incubator that empowers women entrepreneurs by providing them with training and advice on the implementation of a viable business concept.	4 Quality education; 5 Gender equality; 8 Decent work and economic growth
Venezuela	**Improving health care in Venezuela** Repsol invested close to 700,000 euros to strengthen health care for more than 650,000 people in Venezuela, donating specialized cancer diagnostic equipment to the Jacinto Convit Foundation and the supply with medicines and surgical materials.	3 Good health and well-being; 17 Partnerships for the goals
Colombia	**Productive agricultural and eco-tourism projects to empower the communities of the Meta area** The Agroemprende Cacao Project supports 1,000 cocoa producers in 11 municipalities. The initiative provides a sustainable development management approach and greater empowerment of women. The initiative is supplemented by a ornithology tourism project as an eco-tourism strategy that generates additional income. The total investment exceeds 110,000 euros.	5 Gender equality; 8 Decent work and economic growth; 15 Life on land; 16 Peace, justice and strong institutions
Spain	**Arts, education, sports and environment at industrial complexes** Repsol invested 1 million euros in areas surrounding the company's industrial complexes in Spain to support local communities through arts, educational and environmental projects of varying scope that seek to maximize the positive impact on the communities. In line with the Group's energy transition strategy, one of the highlights is a project to reforest burned woodland near the Petronor complex. This is a corporate volunteer initiative that combines environmental care with education.	11 Sustainable cities and communities; 13 Climate action; 17 Partnerships for the goals
Indonesia	**Support for aquaculture and salt production** Within the framework of Repsol's productive projects in Indonesia, highlights include the initiatives to empower sabalote fish farmers and a program that supports local salt farmers. With an investment of 13,000 euros, the project will help improve the living conditions of 200 people in a sustainable way.	1 No poverty; 8 Decent work and economic growth

Voluntary social investment

This includes the social programs carried out on a voluntary basis, or which arise from voluntary agreements with communities.

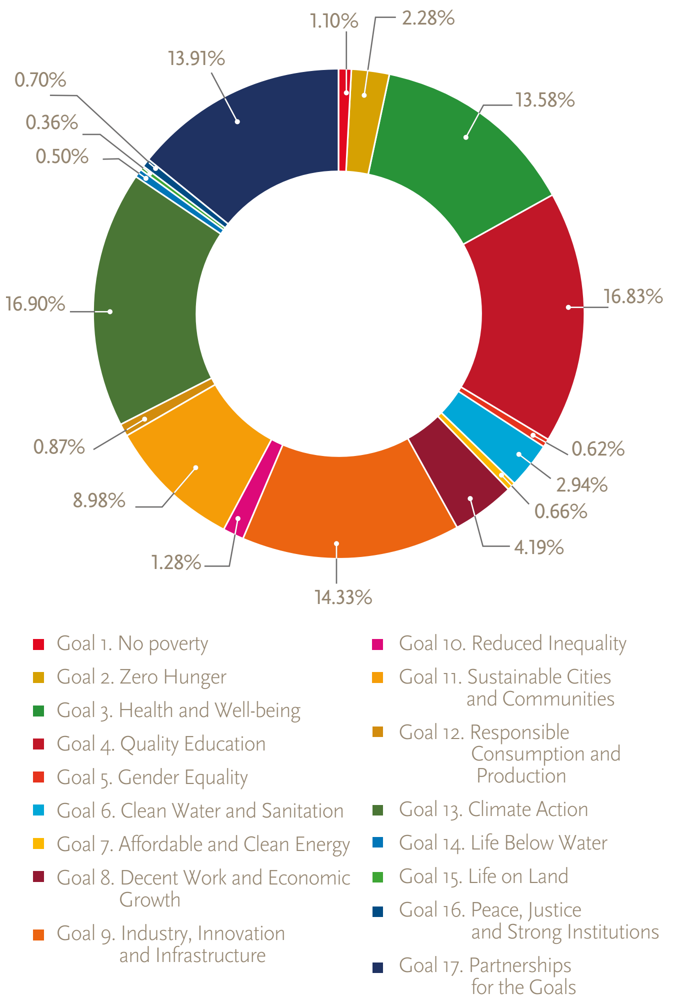
Voluntary social investment *(millions of euros)*

	2020	2019
Repsol	7.93	10.85
Repsol Foundation	12.88	9.65
Total	**20.81**	**20.49**

Voluntary social investment by type of contribution *(millions of euros)*

	2020	2019
Contribution in cash	14.75	18.35
Contributions in time	0.34	0.31
Contributions in kind	0.57	1.17
Management costs	5.15	0.66
Total	**20.81**	**20.49**

Contribution of voluntary social investment to SDGs[1]



1. SDG: Sustainable Development Goals

Voluntary social investment by country *(millions of euros)*

	2020	2019
Algeria	0.01	
Bolivia	0.80	1.08
Brazil	0.17	0.79
Canada	0.97	0.41
Colombia	0.12	0.85
Ecuador	1.23	1.35
Guyana	0.01	0.11
Indonesia	0.00	0.09
Libya	1.16	0.35
Malaysia	0.13	0.39
Norway	0.23	0.33
Peru	1.50	2.91
Portugal	0.05	0.09
Russia	0.41	0.82
Spain	13.80	10.36
United States	0.13	0.28
Venezuela	0.06	0.07
Total	**20.80**	**20.49**

Mandatory social investment

Repsol makes 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 a third party (such as the National Oil Company institution or government agency) to whom we deliver the due sum.

Mandatory social investment in 2020 amounted to €16.94 million, which was made in:

Mandatory social investment by country *(millions of euros)*

	2020	2019
Bolivia	0.16	
Brazil	4.71	14.3
Colombia	0.03	
Ecuador	0.78	0.9
Indonesia	0.08	
Portugal	0.01	0.2
United States	10.47	12.7
Venezuela	0.69	2.1
Total	**16.94**	**30.28**

In 2020, mandatory social investment was reduced by 44% due to the crisis and COVID-19 restrictions, especially in Brazil.

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. The existing online course is being redesigned to update its contents and make its appearance more attractive so as to increase employee awareness.

In 2020 the course "Overcoming Barriers" was taken by 276 (120 in 2019) people equivalent to 276 (120 in 2019) hours and courses related to "Prevention of Harassment" weretaken by 584 (39 in 2019) employees equivalent to 477 (39 in 2019) hours.

[406-1] Cases of discrimination and corrective response[1]

In 2020, 14 cases of harassment and discrimination were handled. 2 minor cases of harassment were confirmed at the end of the year; however, after the investigations carried out, they were found not to be substantiated beyond being conflicts between employees not involving discrimination, corruption or violation of human rights.

Of cases reported in 2019, two cases of harassment were confirmed, and none of discrimination, corruption or human rights violations.

[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.

In accordance with the Company's Code of Ethics and Conduct that applies to directors, executives and employees of Repsol, partners, non-operated joint ventures, contractors, suppliers and other collaborating companies, in all countries where Repsol operates, in addition to complying with the requirements of local legislation, the Company is committed to abiding by internationally recognized human rights. This commitment encompasses the rights set forth in the International Bill of Human Rights and the principles set forth in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, as well as the eight Fundamental Conventions that implement them.

Independently of local legislation, Repsol is committed to respecting labor rights in all countries in which it operates. To this end, clauses are inserted in contracts and all contractors are required to comply with the Company's Code of Ethics and Conduct.

[EM-EP-210a.2.] Percentage of proven and probable reserves in or near indigenous areas

32.5% of the Company's proven reserves and 31.7% of its probable reserves are located in areas where indigenous communities are present.

[G4-OG9] Operations where indigenous communities are present or affected by activities and where specific engagement strategies are in place

Repsol is currently conducting eighteen operations in seven countries (Bolivia, Canada, Colombia, Ecuador, Indonesia, Peru and Guyana) that are taking place within or 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, community development plans; claim and complaint procedures; and other engagement strategies. 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 a local level are applied. In any case, the Code of Ethics and Conduct contains the general principles applicable to workplaces free from harassment.

Country	Description	Engagement strategy
Bolivia	**Guarani** presence in the Cambeiti, Huacaya, Mamoré and Margarita areas and **Quechua** communities in Mamoré.	Process of prior consultation for environmental license in new projects and continuous 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 communities and their leaders. Operational level formal grievance mechanisms in place. Social investment projects carried out with communities and in cooperation with municipality of Huacaya and Entre Rios.
Canada	20 **First Nations** and 4 **Metis** communities in the operating areas of Chauvin, Edson, Duvernay, Alberta, British Columbia, Wild River and Bigstone.	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 stakeholder engagement plan, consultation processes to report activities in Alberta in accordance with regulatory requirements, as well as social investment projects, etc. In 2020, those plans include the aboriginal communities that may be potentially impacted by rour operations. In addition, there are specific consultation processes in accordance with regulatory requirements for both First Nations and for Metis.
Colombia	2 **Wayuu** communities for the eastern sector of RC 12 and CPO-8.	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 the model of requests, complaints, claims and suggestions. elationship strategies that directly involve these communities, taking into account the cultural characteristics and location (communities from desert, mountain, high plateau and jungle areas). Their representative organizations, leaders and traditional authorities have been identified in order to build a smooth and ongoing relationship. Social investment projects are undertaken with indigenous communities.
Ecuador	More than 40 **Waorani** and 2 **Kichwa** communities in blocks 16 and 67.	There is a permanent dialog of cooperation and management of agreements and commitments, including a current agreement for compensation for the Wati 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 contingencies. 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.
Guyana	**Amerindian** community indirectly influenced by the Company's activity in the Kanuku area (offshore asset).	The Stakeholder Engagement Plan prioritizes the various stakeholders and follows up with all of them. Repsol holds communication meetings with the different stakeholders, including local and national authorities, NGOs and coastal fishing communities in the areas of indirect influence of the Company's offshore operations.
Indonesia	Indigenous **Papua**, **Maluku** and **Suku Anak Dalam** communities in the Aru, South East Jambi and West Papua IV areas	Development programs have been designed with the participation of the community and the government.
Peru	**Machiguenga**, **Kakinte** and **Ashaninka** communities in the area of Block 57, and an **Achuarn** community in Block 101.	Operations being carried out are covered during all stages of community relationship 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; grievance register; promotion of local employment; communication and community 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 was also considered.

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 that may cause over use of local services.
Offshore exploration and production	Temporary change in fishing boat routes due to the presence of vessels 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 major accident scenarios that may occur during dismantling are identified and evaluated, including those that may arise from interference with assets in operation. For each identified scenario, measures are implemented that seek to preferably eliminate or minimize these hazards, and when this not possible, control and/or mitigate them, so that the risks to health and the environment are tolerable.

In 2020, 9 service stations were dismantled, and 31 service stations and the thermal power stations at Escucha, Puertollano and Tarragona are in the process of being dismantled. In the Exploration and Production business, work has been done in 2020 on the dismantling of 6 blocks in Bolivia, Norway, the United States and Peru. A highlight was the dismantling of the Mapi and Mashira wells in Block 57 in Peru, where an Ecological Restoration Plan is being carried out under an agreement with the Eco Asháninka indigenous organization. Replanting monitoring is coming to and end and the social investment plan established in the abandonment strategy is being implemented.

[EM-EP-210b.2.] Number and duration of non-technical delays

In 2020, there were 3 stops for non-technical reasons for a total duration of 495 days.

In Norway, the Gyda P&A asset was shut down for 215 days at the Company's discretion due to COVID-19 restrictions, while in Brage there was a reduction in production equivalent to 15 days due to government restrictions also caused by the pandemic. In Libya, political instability forced the shutdown of asset NC115/NC186 for 265 days due to force majeure.

Safe Operation

[403-2] Hazard identification, risk assessment and incident investigation

Repsol regularly conducts job position evaluations by competent personnel. We also systematically apply communication and hazard identification techniques such as tool box talks, JSA (Job Safety Analysis). Together with the work permit system, these ensure the implementation of risk minimization measures before work begins. Moreover, asset operating units have in place a Stop Work Authority policy that empowers any worker, whether our own or a contractor's, to stop operation if he/she believes circumstances may arise that could endanger his/her integrity, that of others or that of the asset, without fear of retaliation, in line with the principle set forth in the Company's Health, Safety and Environment Policy.

[403-7] Prevention and mitigation of impacts on the health and safety of workers directly linked to business relations

Repsol is a global energy company with a presence throughout the value chain, with strong and diverse business relationships at the different stages of the life cycle of the products and services the company offers. In this context, the safety requirements specified in the safety management system and in the Global Sustainability Plans must be tailored to the specific features of the businesses, assets, operations and products, whether managed directly by Repsol or through business relationships with third parties. As an example, Repsol embeds specific safety requirements in the stages of approval, tendering and assessment of contractors and suppliers. Similarly, Repsol encourages the development of safety requirements by carrying out safety culture diagnostics in non-operational settings, launching awareness campaigns or holding specific scheduled safety conferences and events. The Company also provides contractors and business partners with resources to reinforce the safety culture: safe working environments, Basic Safety Rules, White Paper on Safety Culture, etc. In addition, safety data sheets are drawn up for the entire range of products, intermediate and final, and released to contractors and customers, thus promoting safe use and handling. Moreover, we support analysis and reporting of all safety incidents related to the Company's operations, activities and/or products, including those outside the Company's own management framework. The overarching goal is to have an impact on continuous improvement of safety at all levels through the learning acquired.

[403-9] Work-related injuries

Work-related injuries

Personal safety indicators	2020	2019
Total fatalities	0	1
Fatal Accident Rate (FAR)(1)	0.00	0.97
Total high-consequence injuries rate	2	1
Total rate of high-consequence injuries(2)	0.02	0.01
Total recordable work-related injuries	96	127
Total Recordable Injury Rate (TRIR)(3)	1.11	1.24
Total hours worked	86,264,754	102,675,668
No. of employees fatalities	0	0
Fatal Accident Rate (FAR) employees(1)	0.00	0.00
High-consequence injuries, employees	1	0
High-consequence injury rate, employees(2)	0.02	0.00
Total recordable work-related injuries, employees	38	49
Total Recordable Injury Rate (TRIR) employees (3)	0.85	1.02
Severity index, employees (4)	0.044	
Hours worked, employees	44,764,503	47,890,635
No. of contractors fatalities	0	1
Fatal Accident Rate(FAR), contractors(1)	0.00	1.83
High-consequence injuries, contractors	1	1
High-consequence injury rate, contractors (2)	0.02	0.02
Total recordable work-related injuries, contractors	58	78
Total Recordable Injury Rate(TRIR), contractors (3)	1.40	1.42
Hours worked, contractor	41,500,251	54,785,033

(1) Number of fatalities during the year, for every hundred million hours worked.
(2) Number of high-consequence accidents during the year, not including fatalities, per million hours worked.
(3) Total number of cases with personal consequences (fatalities, lost workday, medical treatment and restricted work cases) accumulated during the period, for every million hours worked.
(4) Number of days not worked due to occupational accidents with sick leave over the year per thousand hours worked.

Work-related injuries

Personal safety indicators by gender(1)	Men	Women
Total fatalities	0	0
Total high-consequence injuries	2	0
Total recordable work-related injuries	81	15
No. of employees fatalities	0	0
High-consequence injuries, employees	1	0
Total recordable work-related injuries, employees	27	11
No. of contractor fatalities	0	0
High-consequence injuries, contractors	1	0
Total recordable work-related injuries, contractors	54	4

(1) For 2020, a gender breakdown is implemented in the incident rate report.

The most frequent injuries were fractures, dislocations, sprains, superficial injuries (cuts) and burns.

At Repsol, when analyzing an incident, all potential sources of harm are identified and categorized as "cause of injury" in the case of personal injury. For each accident scenario, the inquiry also analyzes all root causes that may have contributed to the harm, identifying technical, human or organizational shortcomings. In 2020, hazards categorized as thermal contact and striking by objects or tools were those that caused high-consequence injuries. The Company's regulations include measures to control risk in line with an inherently safe design. For example, under the SMA Risk Management Standard one requirement is inherent design safety. Process and plant design must prioritize elimination of hazards and maximize inherent safety. In addition, improvement actions can be derived from different sources (incidents and preventive SMA analyses). In the case of incidents, actions act on all root causes identified and are classified according to criticality in terms of potential role in avoiding harm. All identified improvement actions must be: specific, measurable, achievable, relevant and time-bound. The implementation of improvement actions is monitored to validate effectiveness as applicable, and close out each action.

[EM-EP-320 a.1] Total Recordable Injury Rate and Fatality Accident Rate for E&P

	2020	2019
Total Recordable Injury Rate (TRIR)[1]	1.44	1.50
Fatal Accident Rate (FAR)[2]	-	3.65

(1) Total Recordable Injury Rate (TRIR): total number of cases with personal consequences (fatalities, lost time injuries, medical treatment and restricted work) accumulated during the period, for every million hours worked. Includes company employees and contractor staff

(2) Fatal Accident Rate (FAR): number of fatalities during the year, for every hundred million hours worked. Includes company employees and contractor staff

[EM-RM-320 a.1] Total Recordable Injury Rate and Fatality Accident Rate for Refining

	2020	2019
Total Recordable Injury Rate (TRIR)[1]	1.20	1.90
Fatal Accident Rate (FAR)[2]	-	-

(1) Total Recordable Injury Rate (TRIR): total number of cases with personal consequences (fatalities, lost time injuries, medical treatment and restricted work) accumulated during the period, for every million hours worked. Includes company employees and contractor staff

(2) Fatal Accident Rate (FAR): number of fatalities during the year, for every hundred million hours worked. Includes company employees and contractor staff

[RT-CH-320a.1] Total Recordable Injury Rate and Fatality Accident Rate for Chemicals

	2020	2019
Total Recordable Injury Rate (TRIR)[1]	1.32	1.35
Fatal Accident Rate (FAR)[2]	-	-

(1) Total Recordable Injury Rate (TRIR): total number of cases with personal consequences (fatalities, lost time injuries, medical treatment and restricted work) accumulated during the period, for every million hours worked. Includes company employees and contractor staff

(2) Fatal Accident Rate (FAR): number of fatalities during the year, for every hundred million hours worked. Includes company employees and contractor staff

[EM-EP-540 a.1] Tier 1 Frequency Rate for E&P

	2020	2019
Tier 1 Frequency Rate[1]	0.19	0.32

(1) Number of Tier 1 process safety accidents per million process hours worked. Includes company employees and contractor staff

[EM-RM-540 a.1] Tier 1 and Tier 2 Frequency Rate for Refining

	2020	2019
Tier 1 Frequency Rate[1]	0.12	0.10
Tier 2 Frequency Rate[2]	0.19	0.35

(1) Number of Tier 1 process safety accidents per million process hours worked. Includes company employees and contractor staff

(2) Number of Tier 2 process safety accidents per million process hours worked. Includes company employees and contractor staff

[EM-CH-540 a.1] Tier 1 and Tier 2 Frequency Rate for Chemicals

	2020	2019
Tier 1 Frequency Rate[1]	-	-
Tier 2 Frequency Rate[2]	-	0.14

(1) Number of Tier 1 process safety accidents per million process hours worked. Includes company employees and contractor staff

(2) Number of Tier 2 process safety accidents per million process hours worked. Includes company employees and contractor staff

Responsible tax policy

GRI 207: Tax policy

Proper management of a business group's tax obligations has a direct effect on the social and environmental domains, since payment of taxes has a major impact on countries' development and progress.

Moreover, transparency on tax approaches and policy has gained recently immense significance among stakeholders.
In the awareness of this challenge, Repsol has adopted the highest international standards of tax disclosure, including those under the new GRI 207.

The following table graphically illustrates the Repsol Group's degree of compliance with those commitments, summarizing the reconciliation of the *B-team*[1] principles adopted by Repsol to the requirements of the new GRI 207 global standard. We also provide evidence on the practical implementation of each requirement, organized according to the four axes of GRI 207:

- Approach to tax (GRI 207-1).
- Tax governance, control, and risk management (GRI 207-2).
- Stakeholder engagement and management of concerns related to tax (GRI 207-3)
- Country-by-country reporting (GRI 207-4).

Responsible tax policy

Responsible tax principles – B Team

GRI 207-1
Approach to tax

- Responsibility and governance
- Corporate structure
- Transparency

- The Board of Directors approves the Tax Policy and supervises implementation of tax risk strategy and management.
- Corporate structure aligned with the business and adapted to legal requirements and corporate governance standards.
- Zero use of special purpose vehicles in non-cooperative jurisdictions.
- Publication of the Tax Policy and reporting on tax payments and presence in non-cooperative jurisdictions.
- EThe Global Sustainability Plan (GSP) includes tax objectives.

GRI 207-2
Tax governance, control, and risk management

- Compliance
- Tax incentives

- Regulations and internal control processes to ensure compliance with tax obligations.
- Internal procedure for setting transfer prices aligned with the creation of value and the arm's length principle.
- EOrganizational structure and appropriate resources to ensure the proper performance of the tax function.
- Existence of a whistleblowing channel managed by an independent third party, available 24/7.
- Adhering to the spirit and letter of applicable tax law and regulations.
- Ensuring that the tax incentives applied are widely accessible to all economic agents.
- Supporting the publication of tax incentives in oil contracts.

GRI 207-3
Stakeholder engagement and advocacy

- Supporting the effective tax system
- Cooperative relations

- Applying the Spanish Code of good Tax Practices.
- Voluntary filing of the Tax Transparency Report to the tax office.
- Classified as an Authorized Economic Operator in the European Union and Peru.
- Founding member of the Extractive Industries Transparency Initiative and fully committed to its standards.
- Collaboration with international bodies (OECD, UN, EU, etc.), governments and NGOs.
- Involvement in international initiatives on responsible taxation and tax governance (B-Team).

GRI 207-4
Country-by-county reporting

- Voluntary publication of the country-by-country report (CbCr), which is drawn up following OECD criteria and GRI-207.
- The published country-by-country report contains economic figures on the Group's performance and provides a description of its business model, with contextual information on the business activities it carries out in each country.
- The country-by-country report is published at the time it is submitted to the tax authorities (with a one-year time lag).

1. Group of companies that seek to promote sustainable development and, especially, responsible taxation and good governance in tax matters.

GRI 207 Compliance Summary Table

GRI 207	Requirements	Evidence of compliance by the Repsol Group
GRI 207-1 Approach to tax		
Balancing tax compliance, business activities, and ethical, social and sustainable development expectations	a.i) Tax strategy	Repsol has a Tax Strategy which was adopted by the Board of Directors and is mandatory for all Group employees and companies. The Tax Policy is published on the corporate website. See https://www.repsol.com/imagenes/global/es/Politica_Fiscal_corporativa_extend_tcm13-63125.pdf.
	a.ii) Tax Strategy review body	Repsol's tax strategy is subject to review by the Board of Directors at least annually. The Board also oversees compliance and the key aspects of tax matters and risks.
	a.iii) Compliance approach	In the awareness of its responsibility in the social and economic development of the countries where it is present, Repsol accords priority to responsible compliance with the payment of taxes in host countries. Its commitment to comply respects both the letter and the spirit of the law. *For more information, see Section 8.7. Ethics* and compliance
	a.iv) Linkages among tax approach, business strategy and sustainable development	The Group's Tax Policy is aligned with the Company's mission and values and its Sustainable Development Goals (SDGs). Repsol seeks to be publicly recognized as a company of integrity and fiscal responsibility. The Group's tax decisions are adopted responsibly in accordance with a reasonable interpretation of tax regulations, and are aligned with the economic activity of Repsol's different businesses. The tax function is present in the Group's business decisions to ensure that they are in line with the principles of its Tax Policy and with the economic reality and motivation of its businesses. Hence there are internal regulations and procedures (the rules on investments, related-party transactions, etc.) that ensure the adoption of tax positions based on sound economic or business grounds (avoiding abusive tax planning schemes or practices), avoidance of opaque or artificial corporate structures to hide or reduce the transparency of activities, and application of the principle of open competition in intra-group transactions. For more information, see the report "Presence in Non-Cooperative Jurisdictions and Disputed Territories" on the corporate website. See https://www.repsol.com/es/sostenibilidad/fiscalidad-responsable/transparencia-fiscal/index.cshtml. For more information on the tax objectives under the GSP, *see the Sustainability Section* of www.repsol.com.
GRI 207-2. Tax governance, control, and risk management		
Description of tax governance and control framework	a.i) Governing body responsible for compliance with tax strategy	The Board of Directors is the governing body in charge of adopting the Repsol Group's Tax Policy, which contains the tax strategy. The implementation and monitoring of the tax strategy is overseen at meetings held at least once a year. For further information, *please refer to the Audit and Control Committee's Annual Report*, which is made available to shareholders at the General Shareholders' Meeting.
	a.ii) How the tax approach is integrated within the organization	The orderly management of Repsol's tax affairs is conducted within a framework of action (Tax Governance and Control Framework) that rests on four pillars: (i) Principles of Action, (ii) Expert Team, (iii) Tax Compliance Processes and Systems and (iv) Tax Risk Control and Management. For further information on how the tax approach is integrated into Repsol's organization, see the report on the *"Tax Control Framework"* published on the corporate website. https://www.repsol.com/es/sostenibilidad/fiscalidad-responsable/marco-control-fiscal/index.cshtml Integration of the tax approach at Repsol is governed by an orderly compliance management model comprisingpolicies, rules (general and specific), internal procedures and standardized processes, all of which are subject to the guidelines of the Code of Ethics and Conduct, aimed at mitigating the key tax risks. *For more information, see Section 8.7. Ethics* and compliance Repsol's tax department is made up of experts in a range of tax-related disciplines; these professionals are responsible for managing all the tax affairs of the businesses and areas of the Group. Reporting solely to the Corporate Economic and Tax department, tax management is decentralized to the tax units of each country and/or business in order to suitably address the specifics of each business and tax system. The continuity of strategy implementation and tax management in the face of unforeseen events is underpinned by a contingency plan that ensures suitable succession to key tax-management positions. The Group's tax experts are subject to the same remuneration and incentive policy as the rest of the Company's employees, and receive a comprehensive and continuous training plan, updated annually, which allows them to strengthen and complete their professional skills and renew their commitments to comply with the obligations derived from the Code of Ethics and Conduct.
	a.iii) Tax risks, identification, management and monitoring	Tax risk management at Repsol is embedded in the global policy of the Enterprise Risk Management System (ERMS in Spanish) and is reflected in the existence of processes, systems and internal controls (ICFR, Compliance Plan, Key Controls, etc.). A cornerstone of the ERMS is the concern to maintain a risk profile that is aligned with a medium-low risk tolerance, typical of a global and integrated multi-energy company business model that is present throughout the value chain. To mitigate tax compliance risks, Repsol has implemented standardized and documented processes that regulate essential aspects of tax compliance. Such processes identify the people/areas responsible for each phase of tax management and specify all activities to be carried out for the preparation of tax returns and self-assessments. Tax management processes must, therefore, ensure the reliability and traceability of the information and establish a suitable level of prior reviews. In addition, Repsol operates robust information management systems that assure the integrity of the information and tax compliance processes while minimizing the possibility of "human error."

GRI 207	Requirements	Evidence of compliance by the Repsol Group
GRI 207-2. Tax governance, control, and risk management		
Description of tax governance and control framework	a.iv) Evaluation of compliance with the tax governance and control framework	Tax risk control and tax-related reporting are supplemented by procedures and controls that assure the integrity and reliability of the accounting information used in tax processes. These include, inter alia: (i) the procedure for monitoring and periodic evaluation of the system of Internal Control over Financial Reporting (ICFR). ICFR controls are continuously overseen by the Audit and Control Committee of the Group's Board of Directors and monitored by the Internal Control department and the Audit department. Rules and procedures are reviewed by the People and Organization department, whose purpose is to assure the integrity, uniformity, validity, availability and accessibility of the Company's internal regulatory documents and to support management through established channels and approval at the appropriate level. *For further information, see Section 10. Risks and Appendix II Risks.*
	b.) Description of channels for reporting tax-related concerns	Any employee or third party may report any breach of the Code of Ethics and Conduct or the Crime Prevention Model, including unethical or illegal conduct affecting the integrity of the organization in relation to taxation. Such notification can be given in an absolutely confidential and anonymous manner through the whistleblower channel provided for this purpose. *For more information, see Section 8.7. Ethics and Compliance.*
	c.) Tax content verification process	Repsol has an expert team that analyzes the good tax governance initiatives of international organizations to align its tax strategy with the principles that inform global best practices. Hence Repsol performs a self-assessment of its tax control framework by comparing it to the highest standards in tax governance, including the B-team principles of responsible taxation, the requirements of GRI 207 and the OECD model for controlling tax risks, among others. The alignment of the tax control framework to international best practices in tax compliance is verified and tested by an independent expert. According to the expert's evaluation, Repsol's tax control framework achieves a high level of convergence and compliance with the criteria set out in international standards. Finally, as mentioned earlier, the Board is informed of the implementation of the Group's tax policy and strategy. For further information, see the "Self-Assessment" report published on the corporate website. See https://www.repsol.com/es/sostenibilidad/fiscalidad-responsable/estrategia-fiscal/index.cshtml
GRI 207 -3. Stakeholder engagement and management of concerns related to tax		
Stakeholder engagement and management of tax concerns[1]	a.i) Commitment to tax authorities	In accordance with the principles that guide our tax policy, Repsol is committed to supporting an effective tax system and maintaining cooperative relations with the tax authorities of the countries where it operates, based on mutual respect, transparency and trust. To this end, Repsol cooperates with tax authorities in the detection and search for solutions to fraudulent tax practices, facilitates access to information and prioritizes non-litigious channels for dispute resolution. This approach encompasses adherence to cooperation agreements and active audits in real time. Key examples of Repsol's initiatives in the field of cooperative relations include: (i) voluntary adherence in Spain to the Code of Good Tax Practices, and presentation, since 2015, of the Voluntary Tax Transparency Report; (ii) Repsol's qualification as an Authorized Economic Operator in the European Union and Peru, in recognition of its status as a reliable operator in the field of customs procedures; (iii) involvement in the OECD's ICAP initiative (coordinated verification by the tax authorities of different countries that assess tax risks, including transfer pricing) and, as a result, classification of Repsol as an entity with a low risk of non-compliance by the tax authorities participating in the initiative; and (iv) strengthening cooperative relations with the Canada Revenue Agency.
	a.ii) Advocacy of public policy on taxation	Many of the laws and regulations on tax transparency and fiscal now in force arose from the debates and forums of international organizations (UN, OECD, EU, etc.). Hence at Repsol we support institutional relations with these authorities and other stakeholders to align the Company's tax policies with social reality, contribute responsibly to the creation of a fairer and more balanced international tax framework, and enable anticipation in tax management in the face of any regulatory changes to minimize their risks and impacts. An example of this is Repsol's involvement, sometimes on its own behalf, in the public information regularly issued by various international organizations such as the OECD or the Platform for Collaboration in Tax Matters (UN, OECD, IMF and World Bank). Through our engagement in these discussions (usually at the invitation of the corresponding organization), we have had the opportunity to present our views on key issues in the current environment, such as the tax contribution of multinationals, the problem of profit shifting, and the demand for information on payments made by companies to governments. 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 is also a member of the Tax Committee of *Business at OECD* (formerly known as *BIAC*) and holds the position of *Vice-chair* of the Tax Commission of the *International Chamber of Commerce (ICC)*.

(1) For further information, see the report "Cooperative Relations" on the corporate website. See https://www.repsol.com/es/sostenibilidad/fiscalidad-responsable/relaciones-cooperativas-y-entorno/index.cshtml

GRI 207	Requirements	Evidence of compliance by the Repsol Group
GRI 207 -3. Stakeholder engagement and management of concerns related to tax		
	a.iii) Processes for eliciting and considering stakeholder opinions and concerns	Repsol conducts a continuous and honest dialogue with NGOs and social action platforms (Intermon OXFAM, Fundación Compromiso y Transparencia, Observatorio de Responsabilidad Social Corporativa) in the search for a fairer and more effective tax system. This interrelationship has provided first-hand knowledge of the main concerns of stakeholders regarding Repsol's social accountability process and has facilitated a better understanding of the true magnitude and dimension of our tax contribution in the countries in which we are present. Many of the concerns raised by stakeholders were addressed by the enhanced tax transparency initiatives referred to in this appendix. Stakeholder response to these initiatives has been positive. In its regular evaluation of the tax reporting of IBEX 35 companies, Intermon OXFAM highlighted Repsol among the companies that have made genuine progress in the area of accountability and transparency, praising Repsol's efforts to reduce its presence in tax havens. The B-team describes Repsol as one of the "*most radically transparent*" companies in terms of commitment to complying with its Responsible Tax Principles.
GRI 207 -4. Country-by-country reporting		
Presentation of financial, economic and tax information on each jurisdiction where Repsol operates		For the second consecutive year, we voluntarily published the Country by Country Report (CbCR) at the same time as the information is submitted to the Spanish tax authorities (with data that has a one-year lag), reporting our contribution to the socio-economic development of the countries where we operate. The report includes additional information to aid an understanding of our presence, performance and tax contribution in each country. The data included in the Country-by-Country Report adhere to OECD standards. Furthermore, to comply with the requirements of GRI 207-4, in Appendix 3 to the public Country-by-Country Report we disclose and itemize the income received in each tax jurisdiction facing related parties in other tax jurisdictions. For further information, see the report "Country-by-Country Report" on the corporate website. See https://www.repsol.com/es/sostenibilidad/fiscalidad-responsable/index.cshtml

Presence in non-cooperative jurisdictions

Our tax policy prohibits the use of opaque or contrived structures that hide or reduce the transparency of our activities. Therefore, the Repsol group is committed to not having a presence in tax havens and, where it does, to be transparent in its activities.

The definition of a tax haven or non-cooperative jurisdiction is unsettled. Repsol considers "tax havens" to be those territories qualified as such by Spanish[1] and European Union[2] regulations, and those included by the OECD in its list of non-cooperative jurisdictions in terms of transparency and exchange of information.

Only eight Repsol Group companies have a presence in tax havens, and their results are of scant relevance: four are holding entities of hydrocarbon exploration and production businesses (inherited from the Talisman Group structure), two are engaged in hydrocarbon exploration and production activities in Trinidad and Tobago and two others, currently dormant, were active in the reinsurance business in the past.

Repsol Group in non-cooperative jurisdictions

Company	Jurisdiction	Holding	Status	Total revenue (€M)	Pre-tax profit (€M)	Nominal rate Companies tax	Tax on profits accrued (€M)
Fortuna International Petroleum Corporation(1)	Barbados	100%	Active	3	3	2.5%	1
Oleum Insurance Company Ltd. (2)	Barbados	100%	Dormant	-	-	2.5%	-
Repsol Oil & Gas Malaysia (PM3) Ltd.(3)	Barbados	100%	Active	-	(1)	2.5%	-
Repsol Oil & Gas Malaysia Ltd.(4)	Barbados	100%	Active	-	-	2.5%	(2)
Talisman Vietnam Ltd. (5)	Barbados	100%	Active	-	-	2.5%	-
Greenstone Assurance Ltd.(6)	Bermuda	100%	Dormant	-	(7)	0%	-
Repsol Angostura, Ltd.(7)	Trinidad and Tobago	100%	Active	2	(1)	55%	-
Repsol Exploración Tobago, S.A. (Spanish company with a branch in T&T)(8)	Trinidad and Tobago	100%	Active	-	-	55%	-

(1) Holding company established to manage the E&P business in Malaysia and Vietnam.
(2) Former reinsurer of the Talisman Group. Currently dormant ("run-off" status in insurance jargon).
(3) Entity incorporated in 2001 with E&P operations in Malaysia, through a PE in that country.
(4) Entity incorporated in Bermuda that migrated to Barbados in 2001. E&P activity in Malaysia through a PE.
(5) Entity incorporated in Bermuda that migrated to Barbados in 2001. E&P activity in Vietnam through a PE.
(6) Insurance company the current purpose of which is limited to liquidating risks undertaken in the past. In a "run off" situation.
(7) Company that provides, with its local staff, technical and support services to other Group entities in Trinidad and Tobago (T&T).
(8) Spanish company with a branch in T&T that conducts hydrocarbon exploration and production (E&P) activities in the country.

1. In Spain, we refer to the list of tax havens contained in RD 1080/1991 of July 5.
2. In the European Union, we refer to the list of non-cooperative jurisdictions from a tax point of view drawn up by the Economic and Financial Affairs Council, ECOFIN, of the European Union. The last update was published on October 20, 2020.

Some non-governmental organizations concerned with responsible business practices also draw up their own lists of tax havens under different criteria and objectives. At Repsol we have selected some of these lists because of their public visibility or representativeness, and we have termed the countries included there "controversial territories". In an exercise of enhanced transparency, we also identify our companies and activities in controversial territories and publish detailed information on www.repsol.com.

Responsible tax policy

Result generated and taxes effectively paid in 2020, by countries(1)

	Taxes paid		Tax burden			Taxes collected				Profit (2)	
Million euros	**2020**	2019	**TOTAL**	Income tax	Other income taxes	**TOTAL**	VAT	Hydrocarbons tax(2)	Others	**2020**	2019
Spain	6,612	9,087	516	62	454	6,097	2,018	3,718	361	(758)	881
Portugal	1,053	1,200	34	14	20	1,019	244	756	19	10	56
Italy	49	128	1	-	1	48	-	46	1	-	(29)
The Netherlands	35	36	34	34	-	1	1	-	-	136	102
Norway	17	87	3	-	3	14	(5)	-	19	(31)	62
Luxembourg	-	-	-	-	-	-	-	-	-	89	65
United Kingdom	19	12	19	-	19	-	(22)	-	23	(254)	(211)
Germany	1	1	-	-	-	1	1	-	-	-	-
France	7	7	2	1	1	5	5	-	-	(3)	-
Switzerland	-	-	-	-	-	-	-	-	-	-	-
Romania	-	-	-	-	-	-	-	-	-	(1)	(1)
Greece	(3)	-	-	-	-	(3)	(4)	-	-	(39)	(1)
Ireland	-		-	-	-	-	-	-	-	(2)	(25)
Bulgaria	(3)	4	-	-	-	(3)	(3)	-	-	(2)	(17)
Europe	**7,788**	**10,554**	**608**	**111**	**497**	**7,179**	**2,234**	**4,521**	**425**	**(854)**	**881**
Peru	500	706	59	8	51	442	178	244	19	(86)	47
Trinidad and Tobago	20	52	44	1	43	(24)	(26)	-	2	(451)	(163)
Brazil	121	239	113	-	112	9	1	-	7	(33)	160
Bolivia	37	60	12	2	10	25	19	-	5	10	45
Venezuela	11	7	6	-	5	6	3	-	2	114	(11)
Colombia	41	85	29	28	1	12	-	-	12	118	(51)
Ecuador	7	13	5	3	2	1	-	-	1	(33)	5
Aruba	-	-	-	-	-	-	-	-	-	-	(6)
Chile	-	-	-	-	-	-	-	-	-	3	-
Barbados	1	1	1	1	-	-	-	-	-	3	9
Guyana	-	-	-	-	-	-	-	-	-	(1)	(23)
Bermuda	-	-	-	-	-	-	-	-	-	(7)	
Latam & Caribbean	**737**	**1,163**	**267**	**43**	**224**	**470**	**176**	**244**	**50**	**(362)**	**12**
Indonesia	113	199	105	105	1	8	4	-	4	(84)	96
Malaysia	135	295	122	2	120	12	(3)	-	15	(193)	19
East Timor	-	-	-	-	-	-	-	-	-	-	-
Russia	65	103	51	7	45	14	12	-	1	(117)	(14)
Vietnam	22	35	22	12	11	-	(1)	-	1	40	(311)
Singapore	2	1	2	1	1	1	(2)	-	2	(15)	10
Australia	-	-	-	-	-	-	-	-	-	3	(2)
China	-	-	-	-	-	-	-	-	-		
Iraq	-	-	-	-	-	-	-	-	-	(2)	(2)
Kazakhstan	-	-	-	-	-	-	-	-	-	-	-
Papua New Guinea	-	-	-	-	-	-	-	-	-	66	(127)
Asia and Oceania	**337**	**633**	**302**	**126**	**176**	**34**	**10**	**-**	**24**	**(301)**	**(331)**
United States	87	79	61	1	60	26	-	-	26	(245)	(1,790)
Canada	47	57	16	-	16	31	5	-	25	(1,443)	(2,715)
Mexico	30	31	26	4	22	3	(9)	-	13	(36	(20)
North America	**163**	**167**	**103**	**5**	**97**	**60**	**(4)**	-	**64**	**(1,723)**	**(4,525)**
Algeria	84	137	81	65	15	4	-	-	4	(46)	(65)
Libya	71	398	70	61	9	1	-	-	1	6	162
Angola	-	2	-	-	-	-	-	-	-	(1)	40
Morocco	-	1	-	-	-	-	-	-	-	1	1
Mauritania	-	-	-	-	-	-	-	-	-	-	-
Namibia	-	-3	-	-	-	-	-	-	-	-	11
Gabon	-	-		-	-	-	-	-	-	-	(2)
Sierra Leone		-			-			-		(9)	(1)
Tunisia	-	-	-	-	-	-	-	-	-	-	-
Africa	**156**	**535**	**151**	**127**	**24**	**5**	**-**	**-**	**5**	**(48)**	**146**
TOTAL	**9,180**	**13,052**	**1,431**	**412**	**1,018**	**7,749**	**2,417**	**4,765**	**568**	**(3,289)**	**(3,816)**

Note: The information contained in this section on taxation and tax impact has been prepared as per the scope used in the Group's reporting model, as described in Note 4 "Business information" of the consolidated Annual Accounts for 2020, i.e. including joint ventures and other companies that are jointly managed in accordance with the Group's investment percentage, considering operational and economic indicators in the same perspective and subject to the same degree of detail as those for companies consolidated under the full consolidation method.

(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) Hydrocarbon tax. It includes what is received through the logistic operators when the Company is the ultimate responsible for the payment.

Ethics and Compliance

Fight against corruption

[205-2] Communications and training regarding anti-corruption policies and procedures

The Company has digital and blended courses (online classrooms) for training on anti-corruption to promote a culture of compliance in the organization.

The course that provides the reference framework is the "Code of Ethics and Conduct", a recurring annual training course for all employees, in which a new course is updated every year to reinforce and refresh this knowledge in an enjoyable way.

The following courses are available for anti-corruption training:

- Courses with the regulations taught in online classroom format, such as the "Anti-corruption and basic regulations" course for team leaders.
- Microlearning "Anti-Corruption Policy" aimed at all employees, using visual and interactive resources that highlight key elements for enhanced acquisition of learning objectives.
- The "Crime Prevention Model" is aimed at managers responsible for controls or persons whose function may be involved in any non-compliance with the model.
- "Anti-Money Laundering and Terrorist Financing Prevention" (available to employees in Peru).
- "Anti Bribery & Corruption Awareness" Training 2020 (available for Asia Pacific employees) ".

[EM-EP-210a.1.] Percentage of proven and probable reserves in or near conflict zones and [EM-EP-510a.1] Percentage of proven and probable reserves in the countries in the 20 lowest positions in Transparency International's Corruption Perceptions Index

Proven and probable reserves (%)	1 P	2 P
% Reserves in conflict zones	5.2	5.5
% Reserves in countries ranked in the bottom 20 of the corruption perception index	21.8	18.5

Public policy

[415-1] Contributions to political parties and/or representatives

In 2020 (as in 2019), Repsol made no contributions to political parties and/or representatives. Hence no breach of the Code of Ethics and Conduct occurred.

In the European Union and in Spain, the Company engaged in discussion and public consultations to cooperate with institutions and society at large in the development of a range of legislative initiatives.

Repsol takes the view that lobbying activities should be undertaken transparently and in compliance with current legislation. 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 (1)

	Governance Bodies		Executives		Managers		Professional/ Specialist		Administrative staff		Manual	
Country	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Africa	-	-	3	100.00%	27	75.00%	64	78.05%	1	100%	-	-
Asia	-	-	6	85.71%	113	83.09%	333	76.20%	27	84.38%	16	48.48%
Europe	4	50.00%	179	79.91%	1,653	88.73%	7,162	87.72%	742	80.22%	6,227	63.24%
Latin America	-	-	13	72.22%	245	92.80%	1,363	80.41%	257	88.93%	202	8.91%
North America	-	-	14	70.00%	290	81.69%	623	83.85%	38	84.44%	132	68.75%
Total 2020	**4**	**50.00%**	**215**	**79.04%**	**2,328**	**87.72%**	**9,545**	**85.82%**	**1,065**	**82.43%**	**6,577**	**53.31%**
Total 2019	**6**	**67%**	**217**	**80%**	**2,,340**	**87%**	**9,374**	**70%**	**877**	**82%**	**5,581**	**48%**

(1) Data obtained from the average accumulated workforce.

Compliance[1][2][3]

[307-1] Non-compliance with environmental law and regulations

As in 2019, in 2020, there were no significant fines or sanctions levied against Repsol Group as a result of litigation or administrative proceedings ending with a final decision within the year.

[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)

	2020	2019
Cases filed	0	0

(1) Number of lawsuits or administrative proceedings 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 2020.

[416-2] Cases of non-compliance relating to health and safety effects of product and service categories.

As in 2019, the number of lawsuits or administrative proceedings ending in 2020 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 and customers

Management of the supply chain and its impacts where the company operates

[308-2] Negative environmental impacts on the supply chain and measures taken

We conducted 2,007 assessments (2,605 in 2019) on environmental issues regarding 1,056 suppliers (1,248 in 2019). 22 assessments (45 in 2019) corresponding to 20 suppliers (41 in 2019) concluded with an environmental performance rating of less than 5 out of 10. Negative assessments frequently related to logistics contracts and equipment installation and maintenance. As in 2019, after these negative assessments, improvements were agreed with 100% of suppliers. We highlight that, as in the previous year, we have not terminated any supplier relationship for environmental reasons.

[414-2]: Negative social impacts on the supply chain and measures taken

We conducted 2,007 assessments (2,605 in 2019) on social issues regarding 1,056 suppliers (1,248 in 2019). We found 28 assessments (67 in 2019) corresponding to 22 suppliers (53 in 2019) with a performance rating in social aspects lower than 5 out of 10. As in 2019, negative assessments largely concerned the Code of Ethics and Human Rights. As in the previous year, after these negative assessments, improvements were agreed with 100% of suppliers. As in 2019, no supplier relationships were terminated due to social issues (e.g., human rights or labor issues).

Responsible customer management

[RT-CH-410b.2] Strategy to (1) manage hazardous chemicals and (2) develop alternatives with reduced human and/or environmental impact

Repsol has internal rules in the field of safe product management that lay down the requirements to ensure suitable handling of the risks at each stage in the life cycle of a product, from design to placement on the market. The Chemicals division has rolled out these requirements through a procedure whereby:

During product design, it is necessary to study potential adverse effects and identify uses to put in place suitable risk management measures. This stage tests whether it is necessary to seek substitute products, if technically and economically feasible.

During procurement of raw materials and additives, information is compiled on their hazardousness and suitable measures for safe handling.

During operations, by means of the inherently safe design of facilities, we assess operational risks and waste management.

When products are placed on the market, customers must be provided with the necessary information for them to take steps to handle the products Repsol supplies safely.

In the Polyolefins business, two key projects are underway to replace substances that could be a concern for humans and the environment. In the phthalate-free polyolefins project, Repsol is looking for catalyst activators with which to replace the current ones. In the field of food safety, we seek to identify and replace substances in food contact materials that migrate into food at a threshold rate.

Elsewhere, in the range of polyol-ethers at the Intermediates business, we are working to reduce volatile organic compounds so as to improve the product that reaches the end consumer.

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.

Economic performance

[201-1] Direct economic value generated and distributed and [201-4] Financial assistance received from government

Item (*Millions of euros*)	**2020**	**2019**
Direct economic value generated	**34,465**	**51,185**
Sales and other operating income	34,267	50,946
Finance income	96	177
Gains on disposal of fixed assets	102	62
Economic value distributed	**(32,720)**	**(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)	(24,738)	(36,902)
Salaries and employee benefits (except training)	(1,837)	(1,859)
Payments to capital providers (dividends to shareholders and interest payments to interest providers)	(809)	(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.	(5,388)	(8,094)
Investment in communities	38	51
Economic value retained	**1,746**	**3,562**
Economic aid granted by government entities (subsidies)	18	19

Appendix IV. GRI Index

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
GRI 101	Fundamentos	Acerca de este informe	
GRI 102	Contenidos generales		
	Organization profile		
102-1	Name of the organization	Consolidated Financial Statements 2020 - Note 1 About these Financial Statements	
102-2	Activities, brands, products, and services	Section 4.1. Value chain and business segments Section 7.1. Upstream Section 7.2. Industrial Section 7.3. Marketing and Renewables Section 7.4. Corporate and Others	
102-3	Location of headquarters	Consolidated Financial Statements 2020 - Note 1 About these Financial Statements	
102-4	Location of operations	Section 4.2. Repsol around the world Section 7.Our business	
102-5	Ownership and legal form	Consolidated Financial Statements 2020 - Note 1 About these Financial Statements Consolidated Financial Statements 2020 - Note 6 Equity	
102-6	Markets served	Section 4.1. Value chain and business segments Section 7.1. Upstream Section 7.2. Industrial Section 7.3. Marketing and Renewables Section 7.4. Corporate and Others Consolidated Financial Statements 2020- Note 19 Operating income	
102-7	Scale of the organization	Section 4.1. Value chain and business segments Section 4.2. Repsol around the world Section 4.5. Corporate structure Consolidated Financial Statements 2020- Note 2 About Repsol	
102-8	Information on employees and other workers	Section 8.4.1. Human capital Appendix III. Further information on Sustainability - People	(1)
102-9	Supply chain	Section 8.8.1 Supply Chain	(2)
102-10	Significant changes to the organization and its supply chain	Section 1. Highlights of 2020 Consolidated Financial Statements 2020- Note 2 About Repsol	
102-11	Precautionary Principle or approach	Section 8.1. Climate Change - Risks Section 8.2. Environment Section 8.5.1. Security Management System Section 10. Risks Appendix II. Risks	
102-12	External initiatives	Repsol is an active member of industry associations such as IPIECA, OGCI, IOGP, CONCAWE, FUELS EUROPE, CEFIC, the Global Compact, EITI, etc. Further information available at: https://www.repsol.com/en/sustainability/reports-kpis-and-partnerships/memberships-in-global-initiatives/index.cshtml	
102-13	Membership of associations	Repsol is an active member of industry associations such as IPIECA, OGCI, IOGP, CONCAWE, FUELS EUROPE, CEFIC, the Global Compact, EITI, etc. Further information available at: https://www.repsol.com/en/sustainability/reports-kpis-and-partnerships/memberships-in-global-initiatives/index.cshtml	
	Strategy		
102-14	Statement from senior decision-maker	Message from the Chairman Message from the CEO	
102-15	Key impacts, risks, and opportunities	Section 3. New Strategic Plan Section 8.1.2 Risks and opportunities Section 10. Risks Appendix II: Risks	
	Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	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 8.7. Ethics and compliance About this Report	
102-17	Mechanisms for advice and concerns about ethics	Repsol ethics and compliance channel. (ethicscompliancechannel.repsol.com) Section 8.7. Ethics and compliance	

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
	Governance		
102-18	Governance structure	Section 4.3. Corporate governance Appendix VIII: 2020 Annual Corporate Governance Report - B.2 List the direct and indirectholders of significant stakes, excluding directors Appendix VIII: 2020 Annual Corporate Governance Report -B.3.1 Members of the Board of Directors Appendix VIII: 2020 Annual Corporate Governance Report -B.4 Committees of the Board of Directors	
102-19	Delegating authority	Section 4.3. Corporate governance Section 8.1.1. Climate change governance	
102-20	Executive-level responsibility for economic, environmental, and social topics	Section 4.3. Corporate governance Appendix VIII: 2020 Annual Corporate Governance Report - B.4.2 Committees of the Board of Directors - Audit and Control Committee Appendix VIII: 2020 Annual Corporate Governance Report - B.4.5 Committees of the Board of Directors - Sustainability Committee	
102-21	Consulting stakeholders on economic, environmental, and social topics	Section 8. Sustainability - Sustainability Model	
102-22	Composition of the highest governance body and its committees	Section 4.3. Corporate governance Appendix VIII: 2020 Annual Corporate Governance Report -B.3.1 Members of the Board of Directors Appendix VIII: 2020 Annual Corporate Governance Report -B.4 Committees of the Board of Directors	
102-23	Chair of the highest governance body	Section 4.3. Corporate governance Appendix III. Further information on Sustainability - Corporate Governance Appendix VIII: 2020 Annual Corporate Governance Report -B.3.1 Members of the Board of Directors	
102-24	Nominating and selecting the highest governance body	Policy for the selection of directors: https://www.repsol.com/imagenes/global/en/Politica_Seleccion_Consejeros_EN_tcm14-13033.pd Appendix VIII: 2020 Annual Corporate Governance Report -B.3.1 Members of the Board of Director	
102-25	Conflicts of interest	Appendix VIII: 2020 Annual Corporate Governance Report - B.6 Competent body and procedure for the approval of transactions with related and intragroup parties	
102-26	Role of highest governance body in setting purpose, 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 highest governance body	Section 4.3. Corporate governance	
102-28	Evaluating the highest governance body's performance	Section 4.3. 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 VIII: 2020 Annual Corporate Governance Report - B.3.4. Functioning of the Board of Directors- Board of Directors Evaluation Articles of Association -Article 45dr	
102-29	Identifying and managing economic, environmental, and social impacts	Appendix VIII: 2020 Annual Corporate Governance Report - B.8.1 Control and risks management systems Appendix VIII: 2020 Annual Corporate Governance Report - B.8.2 Internal control and risks management systems related to the financial reporting process (ICSFR)	
102-30	Effectiveness of risk management processes	Appendix VIII: 2020 Annual Corporate Governance Report - B.8.1 Control and risks management systems Appendix VIII: 2020 Annual Corporate Governance Report - B.8.2 Internal control and risks management systems related to the financial reporting process (ICSFR)	
102-31	Review of economic, environmental, and social topics	Appendix VIII: 2020 Annual Corporate Governance Report - B.8.1 Control and risks management systems Appendix VIII: 2020 Annual Corporate Governance Report - B.8.2 Internal control and risks management systems related to the financial reporting process (ICSFR)	
102-32	Highest governance body's role in sustainability reporting	Appendix VIII: 2020 Annual Corporate Governance Report -B.4 Committees of the Board of Directors	
102-33	Communicating critical concerns	Section 4.3. Corporate governance	
102-34	Nature and total number of critical concerns	Section 4.3. Corporate governance	
102-35	Remuneration policies	Appendix VIII: 2020 Annual Corporate Governance Report -B.4.4. Remuneration Committee Appendix VIII: 2020 Annual Corporate Governance Report. B.5. Remuneration of directors and senior management Annual Report on Directors' Remuneration 2020 2019-2021 Director Remuneration Policy: https://www.repsol.com/imagenes/global/en/2019_2021_remuneration_policy_directors_tcm14-150990.pdf	

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
102-36	Process for determining remuneration	2020 Consolidated Financial Statements - Notes 28. Remuneration of members of the Board of Directors and executive staff Appendix VIII: 2020 Annual Corporate Governance Report - B.4 Committees of the Board of Directors - Remuneration Committee B.4.4 Annual Report on Directors' Remuneration 2020	
102-37	Stakeholders' involvement in remuneration	Appendix III. Further information on Sustainability - Corporate governance	
102-38	Annual total compensation ratio	Appendix III. Further information on Sustainability - People - Remuneration and benefits	
102-39	Percentage increase in annual total compensation ratio	Appendix III. Further information on Sustainability - People - Remuneration and benefits	
	Stakeholder engagement		
102-40	List of stakeholder groups	Appendix III: Further information on Sustainability - Materiality and stakeholder engagement	
102-41	Collective bargaining agreements	Appendix III: Further information on Sustainability - People - Employment framework, health and safety at work	
102-42	Identifying and selecting stakeholders	Appendix III: Further information on Sustainability - Materiality and stakeholder engagement. For more information: https://www.repsol.com/en/sustainability/our-sustainability-model/our-model/index.cshtml	
102-43	Approach to stakeholder engagement	Appendix III: Further information on Sustainability - Materiality and stakeholder engagement	
102-44	Key topics and concerns raised	Appendix III: Further information on Sustainability - Materiality and stakeholder engagement	
	Reporting practices		
102-45	Entities included in the consolidated financial statements	Section 4.5. Corporate Structure 2020 Consolidated Financial Statements - Note 3: Criteria for the preparation of these Financial Statements 2020 Consolidated Financial Statements - Appendix I: Main companies making up the Repsol Group	
102-46	Defining report content and topic Boundaries	Appendix III: Further information on Sustainability - Materiality and stakeholder engagement.	
102-47	List of material topics	Appendix III: Further information on Sustainability - Materiality and stakeholder engagement	
102-48	Restatements 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	
102-50	Reporting period	2020	
102-51	Date of most recent report	2019 Integrated Management Report published in February 2020	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding 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	Claims of reporting in accordance with the GRI Standards	About this report	
102-55	GRI content index	Appendix IV. GRI Index	
102-56	External assurance	See PwC's verification letter at www.Repsol.com	

Material Themes

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
	Economic		
GRI 201	Economic Performance		
103	Management approach	Section 8.1.2. Risks and opportunities Consolidated 2020 report on payments to public administrations for hydrocarbon exploration and production activities Appendix III: Further information on Sustainability - Economic performance	
201-1	Direct economic value generated and distributed	Appendix III: Further information on Sustainability - Economic performance	(3)
201-2	Financial implications and other risks and opportunities due to climate change	Section 8.1.2. Risks and opportunities	(6)
201-3	Defined benefit plan obligations and other retirement plans	Consolidated Financial Statements 2020 - Note 27: Obligations to employees	
201-4	Financial assistance received from government	Appendix III: Further information on Sustainability - Economic performance	
GRI 202	Market Presence		
103	Management approach	Appendix III: Further information on Sustainability - People Appendix III: Further information on Sustainability - People - Remuneration and benefits	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Appendix III: Further information on Sustainability - People - Remuneration and benefits	
202-2	Proportion of senior management hired from the local community	Appendix III: Further information on Sustainability - People - Employment	
GRI 203	Indirect Economic Impacts		
103	Management approach	Section 8.4.2. Respect for Human Rights and Relationship with Communities - indirect economic impact in communities and shared value Section 8.8.1. Supply Chain- Indirect economic impacts	
203-1	Infrastructure investments and services supported	Section 8.4.2. Respect for Human Rights and Relationship with Communities - indirect economic impacts in communities and shared value Section 8.8.1. Supply Chain - indirect economic impacts Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Indirect economic impacts	
203-2	Significant indirect economic impacts	Section 8.4.2. Respect for Human Rights and Relationship with Communities - indirect economic impacts in communities and shared value Section 8.6.Responsible tax policy Section 8.8.1. Supply Chain - indirect economic impacts Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Indirect economic impacts	
GRI 204	Procurement Practices		
103	Management approach	Section 7.1. Upstream Section 8.8.1. Supply Chain - indirect economic impacts	
204-1	Proportion of spending on local suppliers	Section 8.8.1. Supply Chain - indirect economic impacts	(2)
OG1	Volume and type of estimated proved reserves and production	Section 7.1. Upstream	
GRI 205	Anticorruption		
103	Management approach	Section 8.7. Ethics and compliance - Fight against corruption and briberyAppendix III: Further information on Sustainability - Ethics and compliance - Fight against corruption	
205-1	Operations assessed for corruption-related risks	Section 8.7. Ethics and compliance - Ethics and Conduct Code	(11)
205-2	Communication and training on anti-corruption policies and procedures	Appendix III: Further information on Sustainability - Ethics and compliance - Fight against corruption	
205-3	Confirmed corruption cases and measures taken	Section 8.7. Ethics and compliance - Ethics and Conduct Code	(10)

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
GRI 206	Unfair competition		
103	Management approach	Appendix III: Further information on Sustainability - Ethics and compliance - Regulatory compliance	
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	
GRI 207	Tax		
207-1	Approach to tax	Section 8.6. Responsible tax policy Appendix III: Further information on Sustainability - Responsible tax policy	
207-2	Tax governance, control, and risk management	Section 8.6. Responsible tax policy Appendix III: Further information on Sustainability - Responsible tax policy	
207-3	Stakeholder engagement and management of concerns related to tax	Section 8.6. Responsible tax policy Appendix III: Further information on Sustainability - Responsible tax policy	
207-4	Country-by-country reporting	Section 8.6. Responsible tax policy - Tax contribution and impact Appendix III: Further information on Sustainability - Responsible tax policy	
	Environmental dimension		
	Environmental		
GRI 301	Materials		
103	Management approach	Section 7.2.1. Refining Appendix III: Further information on Sustainability - Environment - Non-GHG emissions	
301-1	Materials used by weight or volume	Section 7.2.1. Refining Appendix III: Further information on Sustainability - Environment - Non-GHG emissions	(4)
301-2	Recycled input materials used	Not disclosed	Not available
OG8	Benzene, lead and sulfur content in fuels	Appendix III: Further information on Sustainability - Environment - Non-GHG emissions	
301-3	Reused products and packaging materials	Not disclosed	Not available
GRI 302	Energy		
103	Management approach	Section 8.1.4. Targets and metrics Appendix III: Further information on Sustainability - Climate change - Energy efficiency and climate change	
302-1	Energy consumption within the organization	Section 8.1.4. Targets and metrics	(5)
302-2	Energy consumption outside of the organization	Section 8.1.4. Targets and metrics	
302-3	Energy intensity	Section 8.1.4. Targets and metrics	(5)
OG2	Total amount invested in renewable energy	Appendix III: Further information on Sustainability - Climate change -Energy efficiency and climate change	
OG3	Total amount of renewable energy generated by source	Appendix III: Further information on Sustainability - Climate change -Energy efficiency and climate change	
302-4	Reduction of energy consumption	Section 8.1.4. Targets and metrics	(5)
302-5	Reductions in energy requirements of products and services	Appendix III: Further information on Sustainability - Climate change -Energy efficiency and climate change	
OG14	Volume of biofuels produced, bought and sold	Appendix III: Further information on Sustainability - Climate change - Energy efficiency and climate change	
GRI 303	Water		
103	Management approach	Section 8.2.2. Water Appendix III: Further information on Sustainability - Environment - Effluents and waste	
303-1	Interactions with water as a shared resource	Section 8.2.2. Water	
303-2	Management of water discharge-related impacts	Section 8.2.2. Water Appendix III: Further information on Sustainability - Environment - Effluents and waste	
303-3	Water withdrawal	Section 8.2.2. Water Appendix III: Further information on Sustainability - Environment - Effluents and waste	(12)
303-4	Water discharge	Section 8.2.2. Water Appendix III: Further information on Sustainability - Environment -Effluents and waste	

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
303-5	Water consumption	In general, in the energy sector, water consumed is not incorporated in the products and, therefore, the application of the formula proposed by GRI for indicator 303-5 (consumed water = extracted water - discharged water) is not adapted to the reality of the Company's water consumption management. Work is being done to improve the interpretation of this indicator in the Group's activities for its consideration in future reports.	Not available
GRI 304	Biodiversity		
103	Management approach	Section 8.2.1. Natural capital and biodiversity - Embracing respect for biodiversity in our operations Appendix III: Further information on Sustainability - Environment - Biodiversity	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Appendix III: Further information on Sustainability - Environment - Biodiversity	(7)
304-2	Significant impacts of activities, products, and services on biodiversity	Section 8.2.1. Natural capital and biodiversity - Embracing respect for biodiversity in our operations Appendix III: Further information on Sustainability - Environment - Biodiversity	(8)
304-3	Habitats protected or restored	Appendix III: Further information on Sustainability - Environment - Biodiversity	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Appendix III: Further information on Sustainability - Environment - Biodiversity	
OG4	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored	Appendix III: Further information on Sustainability - Environment - Biodiversity	
GRI 305	Emissions		
103	Management approach	Section 8.1. Climate Change Appendix III: Further information on Sustainability - Environment - Non-GHG emissions	
305-1	Direct (Scope 1) GHG emissions	Section 8.1.4. Targets and metrics	(5)
305-2	Energy indirect (Scope 2) GHG emissions	Section 8.1.4. Targets and metrics	(5)
305-3	Other indirect (Scope 3) GHG emissions	Section 8.1.4. Targets and metrics	(9)
305-4	GHG emissions intensity	Section 8.1.4. Targets and metrics	(5)
305-5	Reduction of GHG emissions	Section 8.1.4. Targets and metrics	(5)
305-6	Emissions of ozone-depleting substances (ODS)	Not disclosed	Not available
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Appendix III: Further information on Sustainability - Environment - Non-GHG emissions	
GRI 306	Effluents and Waste		
103	Management approach	Section 8.1 Climate change Section 8.2.2. Water - Water as a shared value Section 8.5.3 Spills management Appendix III: Further information on Sustainability - Environment - Effluents and waste	
306-1	Water discharge by quality and destination	Appendix III: Further information on Sustainability - Environment - Effluents and waste	
306-2	Waste by type and disposal method	Appendix III: Further information on Sustainability - Environment - Effluents and waste	
306-3	Significant spills	Section 8.5.3. Spills management	
OG5	Volume and disposal of formation or produced water	Appendix III: Further information on Sustainability - Environment - Effluents and waste	
OG6	Volume of flared and vented hydrocarbon	Section 8.1.4. Targets and metrics	
OG7	Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal	Appendix III: Further information on Sustainability - Environment - Effluents and waste	
306-4	Transport of hazardous waste	Not disclosed	Not available
306-5	Water bodies affected by water discharges and/or runoff	Appendix III: Further information on Sustainability - Environment - Effluents and waste	

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
GRI 307	Environmental Compliance		
103	Management approach	Appendix III: Further information on Sustainability - Ethics and compliance - Regulatory compliance	
307-1	Non-compliance with environmental laws and regulations	Appendix III: Further information on Sustainability - Ethics and compliance - Regulatory compliance	
GRI 308	Supplier Environmental Assessment		
103	Management approach	Section 8.8.1. Supply Chain - Environmental and social assessment of suppliers Appendix III: Further information on Sustainability - Supply chain and customers	
308-1	New suppliers that were screened using environmental criteria	Section 8.8.1. Supply Chain - Environmental and social assessment of suppliers	
308-2	Negative environmental impacts in the supply chain and actions taken	Appendix III: Further information on Sustainability - Supply chain and customers	
	Social		
GRI 401	Employment		
103	Management approach	Section 8.4.1. Human capital Appendix III: Further information on Sustainability - People - Employment	
401-1	New employee hires and employee turnover	Appendix III: Further information on Sustainability - People - Employment	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Appendix III: Further information on Sustainability - People - Remuneration and benefits	
401-3	Parental leave	Appendix III: Further information on Sustainability - People - Diversity and equal opportunities	
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 regarding 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 403	Occupational Health and Safety		
103	Management approach	Section 8.5. Safe Operation Appendix III: Further information on Sustainability - People - Employment framework, health and safety at work	
403-1	Occupational health and safety management system	Section 8.5.1. Security Management System	
403-2	Hazard identification, risk assessment, and incident investigation	Section 8.5.4. Occupational safety Appendix III: Further information on Sustainability - People - Safe Operation	
403-3	Occupational health services	Appendix III: Further information on Sustainability - People - Employment framework, health and safety at work	
403-4	Worker participation, consultation, and communication on occupational health and safety	Appendix III: Further information on Sustainability - People - Employment framework, health and safety at work	(13)
403-5	Worker training on occupational health and safety	Section 8.5.5. Development of a safety culture Appendix III: Further information on Sustainability - People -Talent development	
403-6	Promotion of worker health	Appendix III: Further information on Sustainability - People - Employment framework, health and safety at work	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Section 8.5.1. Security Management System Section 8.8.2 Responsible customer management - Safety throughout the product lifecycle Appendix III: Further information on Sustainability . Safe Operation	
403-8	Workers covered by an occupational health and safety management system	Appendix III: Further information on Sustainability - People - Employment framework, health and safety at work	
403-9	Work-related injuries	Section 8.5.4. Occupational safety Appendix III: Further information on Sustainability . Safe Operation	
403-10	Work-related ill health	Appendix III: Further information on Sustainability - People - Employment framework, health and safety at work	

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
OG13	Number of process safety claims and near misses by type of activity	Section 8.5.2. Process safety	
GRI 404	Training and Education		
103	Management approach	Section 8.4.1. Human Capital Appendix III: Further information on Sustainability - People - Talent development	
404-1	Average hours of training per year per employee	Appendix III: Further information on Sustainability - People - Talent development	
404-2	Programs for upgrading employee skills and transition assistance programs	Appendix III: Further information on Sustainability - People - Talent development	
404-3	Percentage of employees receiving regular performance and career development reviews	Appendix III: Further information on Sustainability - People - Talent development	
GRI 405	Diversity and Equal Opportunity		
103	Management approach	Section 4.3. Corporate Governance Appendix III: Further information on Sustainability - People -Diversity and equal opportunities	
405-1	Diversidad en órganos de gobierno y empleados	Section 4.3. Corporate Governance Appendix III: Further information on Sustainability - People -Diversity and equal opportunities	
405-2	Ratio del salario base y de la remuneración de mujeres frente a hombres	Appendix III: Further information on Sustainability - People - Remuneration and benefits	
GRI 406	Non-discrimination		
103	Management approach	Section 8.4.1. Human capital - Strategic talent management Section 8.7. Ethics and compliance- Code of Ethics and Conduct Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Human rights	
406-1	Incidents of discrimination and corrective actions taken	Section 8.7. Ethics and compliance- Code of Ethics and Conduct Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Human rights	
GRI 407	Freedom of Association and Collective Barga		
103	Management approach	Section 8.8 Supply Chain and Customers Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Human rights	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Section 8.8 Supply Chain and Customers Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Human rights	(6)
GRI 408	Child Labor		
103	Management approach	Section 8.8 Supply Chain and Customers Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Human rights	
409-1	Operations and suppliers at significant risk for incidents of child labor	Section 8.8 Supply Chain and Customers Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Human rights	(6)
GRI 409	Forced or Compulsory Labor		
103	Management approach	Section 8.8 Supply Chain and Customers Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Human rights	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Section 8.8 Supply Chain and Customers Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Human rights	(6)
GRI 410	Security Practices		
103	Management approach	Section 8.4.2. Respect for Human Rights and Community Relations - Security and human rights	
410-1	Security personnel trained in human rights policies or procedures	Section 8.4.2. Respect for Human Rights and Community Relations - Security and human rights	

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
GRI 411	Rights of Indigenous Peoples		
103	Management approach	Section 8.4.2. Respect for Human Rights and Community Relations Appendix III: Further information on Sustainability- Respect for Human Rights and Community Relations - Human rights	
411-1	Incidents of violations involving rights of indigenous peoples	As was the case in 2019, in 2020 there have been no incidents related to violations of indigenous people's rights reported to the Company's whistleblower channel.	
OG9	Operations where indigenous communities are present or affected by activities and where specific engagement strategies are in place	Appendix III: Further information on Sustainability- Respect for Human Rights and Community Relations - Human rights	
GRI 412	Human rights assesment		
103	Management approach	Section 8.4.2. Respect for Human Rights and Relationship with Communities - Due diligence management system Section 8.8.1 Supply Chain Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Human rights	
412-1	Operations that have been subject to human rights reviews or impact assessments	Section 8.4.2. Respect for Human Rights and Relationship with Communities - Due diligence management system	
412-2	Employee training on human rights policies or procedures	Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Human rights	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Section 7. Our businesses - Sustainability performance (by business) Section 8.4.2. Respect for Human Rights and Relationship with Communities - Due diligence managmenet system Section 8.8.1. Supply chain	
GRI 413	Local Communities		
103	Management approach	Section 8.4.2. Respect for Human Rights and Relationship with Communities Appendix III: Further information on Sustainability - Respect for Human Rights andCommunity Relations - Local communities	
413-1	Operations with local community engagement, impact assessments, and development programs	Section 8.4.2. Respect for Human Rights and Relationship with Communities - Due diligence management system	
413-2	Operations with significant actual and potential negative impacts on local communities	Appendix III: Further information on Sustainability - Respect for Human Rights andCommunity Relations - Local communities	
OG10	Number and description of significant disputes with local communities and indigenous peoples	As was the case in 2019, in 2020 there were no significant disputes with local communities and indigenous peoples	(14)
OG11	Number of sites that have been decommissioned and sites that are in the process of being decommissioned	Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Local communities	
OG12	Cases of involuntary resettlement necessary for the activities of the organization	As was the case in 2019, in 2020 there were no cases of involuntary resettlements as a result of the activities of the organization.	
GRI 414	Supplier Social Assessment		
103	Management approach	Section 8.8.1. Supply Chain - Environmental and social assessment of suppliers Appendix III: Further information on Sustainability- Supply chain and product safety	
414-1	New suppliers that were screened using social criteria	Section 8.8.1. Supply Chain - Environmental and social assessment of suppliers	
414-2	Negative social impacts in the supply chain and actions taken	Appendix III: Further information on Sustainability- Supply chain and customers	
GRI 415	Public Policy		
103	Management approach	Appendix III: Further information on Sustainability - Ethics and compliance - Public policy	
415-1	Political contributions	Appendix III: Further information on Sustainability - Ethics and compliance - Public policy	

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
GRI 416	**Customer Health and Safety**		
103	Management approach	Section 8.8.2 Responsible customer management - Safety throughout the product lifecycle Appendix III: Further information on Sustainability - Ethics and compliance- Regulatory compliance	
416-1	Assessment of the health and safety impacts of product and service categories	Section 8.8.2 Responsible customer management - Safety throughout the product lifecycle	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Appendix III: Further information on Sustainability - Ethics and compliance- Regulatory Compliance	
GRI 417	**Marketing and Labeling**		
103	Management approach	Not disclosed	Not material
417-1	Requirements for product and service information and labeling	Not disclosed	Not material
417-2	Incidents of non-compliance concerning product and service information and labeling	Not disclosed	Not material
417-3	Incidents of non-compliance concerning marketing communications	Not disclosed	Not material
GRI 418	**Customer privacy**		
103	Management approach	Section 8.8.2 Responsible management of customers -Management of customer value. Customer privacy	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Section 8.8.2 Responsible management of customers -Management of customer value. Customer privacy	
GRI 419	**Socioeconomic compliance**		
103	Management approach	2020 Consolidated Financial Statements - Note 15.2 Lawsuits and Note 22.4 Government and legal proceedings with tax implications	
419-1	Non-compliance with laws and regulations in the social and economic spheres	2020 Consolidated Financial Statements - Note 15.2 Lawsuits and Note 22.4 Government and legal proceedings with tax implications	

(1) Information reported only for own personnel.
(2) Information on the supply chain refers exclusively to significant purchases made by the corporate purchasing and procurement department, and excludes purchases of crude oil, gas and materials.
(3) The referenced report on payments to public administrations by country has not undergone any verification, and only the overall reasonableness of the payments has been analyzed. The information on taxes effectively paid includes payments for liquidity of taxes and duties, not including effective tax returns or surcharges and penalties.
(4) The main material, namely processed crude oil, is broken down.
(5) The overall reasonableness of the data has been verified. The data is subject to change once the audits of the emissions at each site and asset under ISO 14064 have been performed.
(6) Qualitative information reported.
(7) The value for biodiversity outside protected areas is not reported.
(8) Impacts are not reported by type.
(9) Scope 3 emissions do not include Upstream transport categories at E&P, nor the fixed asset and investee categories.
(10) Sanctions or warnings derived from breaches of the Code of Ethics are reported.
(11) The information included refers to the number of ICFR controls.
(12) Only information on water withdrawal is reported.
(13) Information on the representation of employees on existing Safety and Health Committees is reported.
(14) Incidents related to violations of rights of indigenous peoples received through the Company's whistleblower channel are reported.

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 3. New Strategic Plan Section 4.1. Value chain and business segments Section 4.2. Repsol around the world Section 4.4. Corporate structure Section 7. Our businesses Section 9. Outlook Consolidated Financial Statements 2020 – Note 19. Operating income	
b) Policies	103	Section 8. Sustainability	
c) Policy outcomes. KPIs	103	About this report Section 8. 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 3. New Strategic Plan Section 8.1.2. Risks and opportunities Section 8.2. Environment Section 8.4.2. Respect for human rights and community relations – Due diligence management model Section 8.5. Safe operation Section 8.7. Ethics and compliance – Code of Ethics and Conduct Section 8.8. Supply chain and customers Risks 10. Risks Appendix II. Risks Appendix III: Further information on sustainability – Human rights and community relations – Human rights	
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 4.4. Corporate Governance Section 8.1.2 – Risks and opportunities Section 8.2. Environment Section 8.5.1 – Security Management System Section 8.8.1 – Supply chain – Environmental and social assessment of suppliers Risks 10. Risks Appendix II: Risks Appendix III: Further information on Sustainability - Ethics and compliance - Regulatory compliance Appendix III: Further information on sustainability – Supply chain and customers	Information on resources in place to foresee and anticipate environmental risks and provisions is disclosed in Note 29.2 of the 2020 Consolidated Financial Statements. Information on environmental guarantees is disclosed in Note 25.2 of the 2020 Consolidated Financial Statements. Furthermore, Repsol has ISO 14001 Environmental Management Systems in place to ensure that applicable legal and regulatory limits are not breached 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 8.1. Climate Change Section 8.1.4 – Objectives and metrics Section 8.2. Environment Appendix III: Further information on Sustainability – Environment – Non-GHG emissions	Light contamination is not reported as it is not considered a material issue (see Materiality Matrix on page 131)
c) Circular economy and waste prevention and management	103, 306-2	Section 8.2. Environment Appendix III: Further information on Sustainability - Environment - Effluents and waste	Action taken to combat food waste is not reported as it is not considered a material topic (see Materiality Matrix on page 131).
d) Sustainable use of resources			
• The water consumption and water supply according to local limitations	103, 303-1, 303-2, 303-3,303-4	Section 8.2.2 – Water Appendix III: Further information on Sustainability – Environment – Effluents and dumping	
• Consumption of raw materials and measures taken to improve the efficiency of their use	103, 301-1,	Section 7.2.1. Refining	Efficiency improvements in the use of raw materials are not reported as this is not considered a material topic (see Materiality Matrix on page 131)

Contents	GRI Standards	Reference in Management Report, Reports or website	Comments
• 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 8.1.4 – Objectives and metrics Appendix III: Further information on sustainability – Climate change - Energy efficiency and climate change	
e) Climate Change • Greenhouse gas emissions generated by the Company's activities • Measures rolled out to adapt to the consequences of climate change • Greenhouse emission reduction targets in the mid to long run	103, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 201-2	Section 3. New Strategic Plan Section 8.1. Climate change Risks 10. Risks Appendix II: Risks Appendix III: Further information on sustainability – Environment – Non-GHG emissions	
f) Protection of biodiversity	103, 304-1, 304-2, 304-3, 304-4, 306-5	Section 8.2.1 – Natural capital and biodiversity – Respect for biodiversity when carrying on our business Appendix III: Further information on Sustainability - Environment - Biodiversity Appendix III: Further information on sustainability – Climate change – Energy efficiency and climate change	
2. Employees and other personnel			
a) Employment			
• Total number and distribution of employees by gender, age, country and professional classification	103, 102-8, 405-1	Section 4.3. Corporate Governance Section 8.4.1 – Human capital 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 8.4.1 – Human capital 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 4.3. Corporate Governance Section 8.4.1 – Human capital Appendix III: Further information on Sustainability - People - Employment Appendix III: Further information on Sustainability - People - Diversity and equal opportunities	
• 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, 102-38, 102-39	Section 8.4.1 – Human capital Appendix III: Further information on Sustainability - People - Remuneration and benefits	
• Salary gap, remuneration of equal or average jobs in society	405-2	Section 8.4.1 – Human capital 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 VIII: 2020 Annual Corporate Governance Report – B.4.4 Remuneration Committee Appendix VIII: Annual Corporate Governance Report 2020 - B.5 Remuneration of Directors and Senior Management Annual Report on Director Remuneration Director for 2020 – Remuneration Policy 2019-2021: https://www.repsol.com/imagenes/global/es/politica-remuneraciones-2019-VF_tcm13-150990.pdf 2020 Consolidated Financial Statements – Note 28. Remuneration of members of the Board of Directors and executive personnel	Remuneration of members of the Board of Directors and executive staff is included in Note 30 to the 2020 Consolidated Financial Statements
• Implementation of right to disconnect policies for employees	103	Section 8.4.1 – Human capital	
• Employees with disabilities	405-1	Section 4.3. Corporate Governance Section 8.4.1 – Human capital Appendix III: Further information on Sustainability - People - Diversity and equal opportunities	
b) Organization of work • Number of hours of absenteeism • Work-life balance measures	103, 401-2	Section 8.4.1 – Human capital Appendix III: Further information on Sustainability - People - Diversity and equal opportunities Appendix III: Further information on Sustainability - People - Employment framework, health and safety at work	

Contents	GRI Standards	Reference in Management Report, Reports or website	Comments
c) Health and safety • Frequency and severity of occupational accidents, by gender • Occupational diseases	103, 403-1, 403-2, 403-3, 403-6,403-7,403-8,403-9,403-10	Section 8.5.1 – Security Management System Section 8.5.4 – Personnel accident rate Appendix III: Further information on Sustainability - People - Employment framework, health and safety at work Appendix III. Further information on sustainability – Safe operation Section 8.8.2 – Responsible customer management – Safety across the product life cycle	
d) Social relations • Organization of employee dialog • Percentage of employees covered by collective agreement, by country • List of collective agreements in the realm of occupational safety and health	103, 102-41, 407-1, 403-4	Section 8.8. Supply chain and customers Appendix III: Further information on Sustainability - People - Employment framework, health and safety at work Appendix III: Further information on sustainability – Human rights and community relations – Human rights	
e) Training	103, 403-5, 404-1,404-2	Section 8.5.5 – Safety culture Appendix III. Further information on Sustainability - People - Training and development	
f) Universal accessibility for disabled persons	103	Section 8.4.1. Human capital Appendix III: Further information on Sustainability - People - Employment	
g) Equality	103	Section 8.4.1. Human capital Appendix III: Further information on Sustainability - People - Diversity and equal opportunities	
3. Human rights			
• Applying due diligence procedures in human rights • Preventing the risk of human rights violations • Reports of human rights violations • Championing and ensuring compliance with ILO provisions on the right to collective bargaining, child labor and forced labor	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 8.4.2. Respect for human rights and community relations Section 8.7. Ethics and Compliance Section 8.8. Supply chain Section 7. Our businesses – Sustainability performance (by business) Section 8.4.2. Respect for human rights and community relations – Due diligence management model Section 8.7. Ethics and compliance – Code of Ethics and Conduct Section 8.8. Supply chain and customers Section 8.8.1 – Supply chain Appendix III: Further information on sustainability – Human rights and community relations	
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 7. Our businesses – Sustainability performance (by business) Section 8.4.2. Respect for human rights and community relations – Due diligence management model Section 8.4.2. Respect for human rights and community relations – Operations-related claims mechanisms Section 8.7. Ethics and Compliance Section 8.8. Supply chain and customers Appendix III: Further information on sustainability – Human rights and community relations – Human rights Code of Ethics and Conduct (https://www.repsol.com/imagenes/global/es/codigo_de_etica_conducta_repsol_tcm13-17053.pdf) Repsol ethics and compliance channel. (ethicscompliancechannel.repsol.com) Appendix III: Further information on Sustainability – Ethics and compliance - Fight against corruption	
• Measures to combat money laundering	205-2	Section 8.7. Ethics and Compliance – Fight against corruption Appendix III: Further information on sustainability – Ethics and compliance – Fight against corruption	
• Contributions to foundations and non-profit entities	413-1	Section 8.4.2. Respect for human rights and community relations – Due diligence management model	

Contents	GRI Standards	Reference in Management Report, Reports or website	Comments
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 8.4.2. Respect for human rights and community relations – Economic impact on communities and shared value Section 8.4.2. Respect for human rights and community relations – Due diligence management model Section 8.6. Responsible tax policy Section 8.8.1. Supply chain and – Indirect economic impact Appendix III: Further information on sustainability – Materiality and stakeholder engagement Appendix III: Further information on sustainability – People – Remuneration and benefits Appendix III: Further information on sustainability – People – Employment Appendix III: Further information on sustainability – Human rights and community relations – Indirect economic impacts Appendix III: Further information on sustainability – Human rights and community relations – Local communities	
b) Subcontracting and suppliers • Making social and environmental concerns part of the procurement policy • Oversight systems and audits and related findings	103, 102-9, 308-1, 308-2, 414-1, 414-2	Section 8.8.1 – Supply chain	
c) Consumers • Measures to protect the health and safety of consumers • Grievance systems, complaints received and outcome	103, 416-1, 416-2, 418-1	Section 8.8.2 – Responsible customer management – Safety across the product life cycle Section 8.8.2 – Responsible customer management – Management of customer claims 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, 207	Section 8.6. Responsible tax policy Appendix III: Further information on Sustainability - Economic performance Appendix III: Further information on sustainability – Responsible tax policy	
• 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 A, 102-7,102-9, 102-10, 102-14	Message from the President Message from the Chief Executive Officer Section 1. Overview of 2020 Section 3. New Strategic Plan Section 4.1. Value chain and business segments Section 4.2. Repsol around the world Section 4.5. Corporate Structure Section 7. Our businesses Section 8.1.2 – Risks and opportunities Section 8.8. Supply chain and customers – Supply chain Section 10 – Risks Appendix II: Risks Consolidated Financial Statements 2020 – Note 1. About these Financial Statements 2020 Consolidated Financial Statements – Note 2. About Repsol	
b) Corporate Governance	102-18 TO 102-34; 102-37	Section 4.3. Corporate Governance Section 8. Sustainability – Sustainability model Section 8.1.1 – Climate change governance Appendix III – Further information on sustainability – Corporate governance Appendix VIII: Annual Corporate Governance Report – 2020	
c) Stakeholder engagement	102-40, 102-42 TO 102-44	Appendix III: Further information on Sustainability - Materiality and stakeholder engagement More information at: https://www.repsol.com/es/sostenibilidad/nuestro-modelo-sostenibilidad/nuestro-modelo/index.cshtml	
a) Other useful information on the preparation of the document	102-45 TO 102-55, 201-3, 206-1, 306-1, 306-3, 401-2, 402-1, 404-3, 415-1, 419-1, OG1 TO OG14	Appendix IV: GRI Index	

Appendix VI. SASB indicators

SASB indicator	Description of the indicator	Reference in the Management Report or online	GRI Standard
	Climate change & energy transition		
EM-EP-110a.1 EM-RM-110a.1 RT-CH-110a.2	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Section 8.1.4. Targets and metrics - Direct and indirect emissions	305-1 (Partial) 201-2
EM-EP-110a.2	Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	Section 8.1.4. Targets and metrics	OG6 (Partial)
EM-EP-110a.3 EM-RM-110a.2 RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Section 8.1.4. Targets and metrics - Direct and indirect emissions Section 8.1.3. Strategy Section 8.1.4. Targets and metrics - Objectives for the transition	201-2,305-5
RT-CH-130a.1	(1) Total energy consumed (2) percentage grid electricity (3) percentage renewable (4) total self-generated energy	Section 8.1.4. Targets and metrics - Direct and indirect emissions	302-1 (Partial)
EM-EP-420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	Section 8.1.3. Strategy	
EM-EP-420a.3	Amount invested in renewable energy, revenue generated by renewable energy sales	Appendix III. Further information on Sustainability - Climate change- Energy efficiency and climate change	OG2 (Partial)
EM-RM-410a.1	Percentage of Renewable Volume Obligation (RVO) met through: (1) production of renewable fuels (2) purchase of "separated" renewable identification numbers (RIN)	Appendix III. Further information on Sustainability - Climate change- Energy efficiency and climate change	OG14 (Partial)
	Air quality		
EM-EP-120a.1 EM-RM-120a.1 RT-CH-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N_2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM_{10}), H_2S (RM), HAP (CH)	Appendix III: Further information on Sustainability - Environment - Non-GHG emissions	305-7
	Water management		
RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Section 8.2.2. Water - Impact management, risk analysis and the Repsol Water Tool (RWT)	
EM-EP-140a.1 RT-CH-140a.1	(1) Total fresh water withdrawn (2) total fresh water consumed (2) Percentage of each in regions with High or Extremely High Baseline Water Stress	Section 8.2.2. Water - Water as a shared resource Appendix III. Further information on Sustainability - Environment - Effluents and waste	303-3, 303-5
RT-CH-140a.1	(1) Total fresh water withdrawn (2) percentage recycled (3) percentage in regions with High or Extremely High Baseline Water Stress	Section 8.2.2. Water - Water as a shared resource Appendix III. Further information on Sustainability - Environment - Effluents and waste	303-3,303-5
EM-EP-140a.2	(1) Volume of produced water and flowback fluid generated during operations (2) percentage of produced water and flowback fluid discharged, injected and recycled (3) hydrocarbon content in discharged water	Appendix III. Further information on Sustainability - Environment - Effluents and waste	OG5 (Partial)
EM-RM-140a.2 RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulationss	Appendix III. Further information on Sustainability - Regulatory Compliance	307-1 (Partial)
	Hazardous waste management		
EM-RM-150a.1 RT-CH-150a.1	Amount of hazardous waste generated, percentage recycled	Appendix III. Further information on Sustainability - Environment-Main contaminants discharged	306-2
	Safety & Environmental Stewardship of Chemicals		
RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Appendix III. Further information on Sustainability -Supply chain and customers - Responsible management of our customers	

SASB indicator	Description of the indicator	Reference in the Management Report or online	GRI Standard
	Biodiversity impacts		
EM-EP-160a.1	Description of environmental management policies and practices for active sites	Section 8.2.1. Natural capital and biodiversity - Respect for biodiversity in our activities	103-1, 2, 3
EM-EP-160A.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Appendix III. Further information on Sustainability - Environment - Biodiversity	304-1 (Partial)
	Security, Human Rights & Rights of Indigenous Peoples		
EM-EP-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Appendix III. Further information on Sustainability - Ethics and compliance	
EM-EP-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Appendix III. Further information on Sustainability - Human Rights and Comunity Relations - Human rights	OG9 (Partial)
EM-EP-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Appendix III. Further information on Sustainability - Human Rights and Comunity Relations - Risks, opportunities and due diligence	103-1,2,3 (Partial)
	Comunity Relations		
EM-EP-210b.1 RT-CH-210a.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Appendix III. Further information on Sustainability - Human Rights and Comunity Relations - Risks, opportunities and due diligence	203-1 (Partial) 413-1 (Partial)
EM-EP-210b.2.	Number and duration of non-technical delays	Appendix III. Further information on Sustainability - Human Rights and Comunity Relations - Local communities	
	Workforce Health & Safety		
EM-EP-320a.1 EM-RM-320a.1 RT-CH-320a.1	(1) Total recordable incident rate (TRIR) (2) fatality rate (3) nearmiss frequency rate (NMFR) (EP, RM) (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees (EP)	Section 8.5.4. Occupational safety Appendix III. Further information on Sustainability - People -Training and development	403-5 (Parcial) 403-9 (Parcial)
EM-EP-320a.2 EM-RM-320a.2	Discussion of management systems used to integrate a culture of safety	Section 8.5.5. Development of a safety culture	403-1
EM-EP-540a.1 EM-RM-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1) and lesser consequence (Tier 2)	Section 8.5.2. Process safety	OG13
EM-RM-540a.2	Challenges to Safety Systems indicator rate (Tier 3)		
RT-CH-540a.1	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Section 8.5.2. Process safety	OG13 (Partial)
	Bussiness Ethics and Transparency		
EM-EP-510a.1	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Appendix III. Further information on Sustainability - Ethics and compliance - Anti-corruption	
EM-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	Section 8.7. Ethics and compliance - Fight against corruption and bribery	103-1,2,3 (Partial)
	Management of the Legal & Regulatory Environment		
EM-EP-530a.1 EM-RM-530a.1 RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Section 3. New Strategic Plan Section 8.1. Climate Change Section 10. Risks Appendix II: Risk	102-15

Appendix VII. 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 VIII.
Annual Corporate Governance Report

The 2020 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 performance of the Group's businesses, results, financial position and Sustainability, as well as the main risks and uncertainties that it is facings

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 investees comprising the Repsol Group

Independent verification report
Non-Financial Information Statement
31 December 2020

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 Consolidated Non-financial Information Statement (hereinafter "CNFIS") for the year ended 31 December 2020 of Repsol, S.A. (the Parent company) and investees comprising the Repsol Group (hereinafter "Repsol" or "the Group") which forms part of Group's consolidated management's report attached.

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" of the accompanying consolidated management report.

Responsibility of the directors of the Parent company

The preparation of the CNFIS included in Group's consolidated management report, and the content thereof, are responsibility of directors of Repsol, S.A. The CNFIS has been drawn up according to the provisions of current commercial legislation and with the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter "GRI Standards") in accordance with the Comprehensive option and the Oil and Gas Sector Disclosures of the GRI G4 Guidelines (hereinafter "Oil and Gas Sector Disclosures"), in line with the details provided for each topic in the tables included in Appendix V "Statement of Non-Financial Information" and Appendix IV "GRI Index" of the aforementioned consolidated management report.

This responsibility also includes the design, implementation and maintenance of the internal control that is considered necessary to ensure that the CNFIS 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 CNFIS is obtained.

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 (ISAE) 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").

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 several Group units that were involved in the preparation of the CNFIS, in the review of the processes for compiling and validating the information presented in the CNFIS and in the application of certain analytical procedures and review sampling tests, as described below:

- Meetings with Group's 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 CNFIS for 2020 based on the materiality analysis performed by the Group and described in section "Materiality and Stakeholder Engagement" of Appendix III , considering the content required under current commercial legislation.

- Analysis of the procedures used to compile and validate the information presented in the CNFIS for 2020.

- Review of information concerning risks, policies and management approaches applied in relation to material issues presented in the CNFIS for 2020.

- Verification, through sample testing, of the information relating to the content of the CNFIS for 2020 and its adequate compilation using data supplied by the sources information.

- Obtainment of a management representation letter from the directors and the management of the Parent company.

Conclusions

Based on the procedures performed in our verification and the evidence we have obtained, no matters have come to our attention which may lead us to believe that CNFIS of Repsol, S.A. and investees comprising the Repsol Group for the year ended 31 December 2020 has not been prepared, in all of their significant matters, according to the provisions of current commercial legislation and with the GRI Standards, in accordance with the Comprehensive Option and the Oil and Gas Sector Disclosures, in line with the details provided for each topic in the tables included in Appendix V "Statement of Non-Financial Information" and Appendix IV "GRI Index" of the aforementioned consolidated management report.

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.

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2021-02-18 00:02:30 (UTC +01:00)

Pablo Bascones Ilundain

18 February 2021

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

2020

REPSOL S.A.

Annual Corporate Governance Report

REPSOL

DETAILS OF ISSUER

Dated end of year 31/12/2020

TAX REGISTRATION NUMBER: A-78375725

Name: Repsol, S.A.

Registered office: C/ Méndez Álvaro, 44, Madrid

TABLE OF CONTENTS

A. Executive summary

1. Presentation by the Chairman of the Board of Directors

Our good governance practices are intended to ensure that both the Company's management model and the decisions of the Board of Directors and its Committees are aimed at preserving the long-term interest of our stakeholders and ensuring the Group's sustainability. The global crisis caused by Covid-19 has marked the year 2020, a year in which Repsol has prioritized its work as an essential service, maintaining its facilities in operation and assuring the supply of its products and services, which are indispensable to society.

Our corporate governance system is in a permanent process of review and improvement, adopting the main recommendations of the international markets and the most advanced guidelines in this area. Thus, following the approval by the National Securities Market Commission of the partial reform of the Good Governance Code for listed companies, the Company has revised its internal regulations and practices in order to comply with the new recommendations.

Regarding the Board of Directors, it is worth mentioning the assessment of its functioning and its Committees during 2020, with the assistance of an independent expert, highlighting the high evaluations obtained in terms of its work dynamics, the climate of dialogue and willingness to discuss, the composition, the quality of the information provided, the relationship and interaction with the management team and the performance of the key people, having also prepared a work plan for the areas of improvement detected.

In terms of the independence and diversity of the Board, following the appointment in July of Mr. Rene Dahan as an External Independent Director, the percentage of independence on the Board has risen to 60%. As for gender diversity, over the last few years Repsol has been increasing the number of women on the Board which currently represents 33%. Without prejudice to this, the Company has also adopted the commitment to continue increasing this percentage to reach at least 40% before the end of 2022 as reflected in its Diversity Policy in the composition of the Board of Directors and the Selection of Directors.

In 2020, the new Strategic Plan 2021-2025 has also been presented by the Company, which will define its transformation in the coming years and will allow Repsol to accelerate the energy transition in a profitable way maximizing the value for its shareholders. This plan will enable Repsol to make progress towards its goal of zero net emissions by 2050.

During this year we will continue working on the continuous improvement of our Corporate Governance system, by means of permanent and transparent dialogue and engagement with our stakeholders under our principles of efficiency, respect, anticipation and value creation, making them part of the future of Repsol.

Finally, I would like to express, on behalf of the entire Board of Directors, our deep gratitude to the Company's employees for their commitment, dedication and enthusiasm, and to all of our shareholders for their trust and support.

Antonio Brufau

Chairman of the Board of Directors

2. At a glance

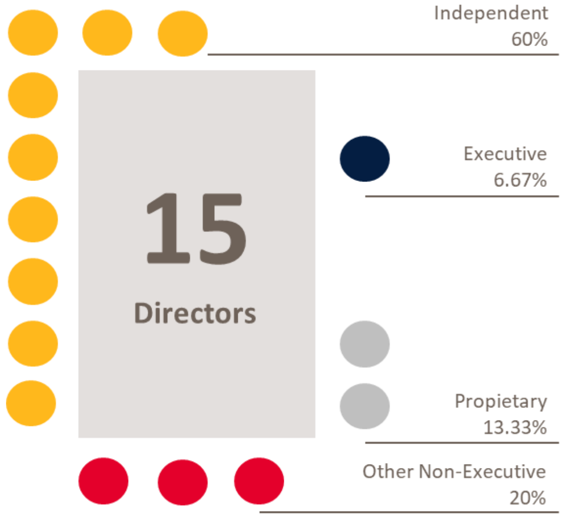
Board of Directors

33% Women on the Board

New Objective 2022: **40%** women on the Board of Directors

Board composition

- 9 Independent
- 1 Executive
- 2 Propietary
- 3 Other Non-Executive
- Chairman – Other Non-Executive



100% Attendance by the members of the Board

Separation of position Chairman and Chief Executive Officer

11 Eleven meetings in 2020[1]

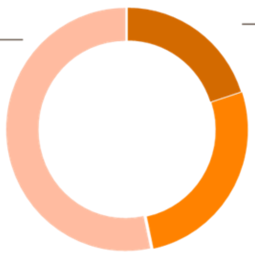
26.6% International Directors

6.4 years Average term of office

Board of Directors' skills

Top Management	87%	**Risk management**	93%	**Technology**	47%
Energy sector knowledge	80%	**Strategy**	87%	**University and investigation**	53%
International experience	93%	**Institutional experience and Public Sector**	60%	**Commercial / Retail**	27%
Financing and accounting	73%	**Legal and corporate governance**	87%	**Sustainability**	60%

Years of Service of Directors



53% 0-3 years

20% More than 7 years

27% 4-7 years

Internal regulations adapted to the new recommendations of the Code of Good Governance

- Policy on **Risk Management**
- Policy on **Diversity in the Composition of the Board of Directors and the Selection of Board Members**
- Modification of the **Regulations of the Board of Directors**
- Policy on **Communication and contact with shareholders, investors, and proxy advisors and on the disclosure of economic-financial, non-financial and corporate information**

[1] On May 8, 2020, the meeting was held by means of the written voting procedure without meeting, as provided for in Article 10.3 of the Regulations of the Board of Directors of Repsol.

Separated roles and responsibilities

Chairman of the Board of Directors
Mr. Antonio Brufau

The Chairman has overall responsibility for the effective functioning of the Board of Directors.

Chief Executive Officer (CEO)
Mr. Josu Jon Imaz

The CEO is the chief executive and responsible for the management of the business and the Company and as such has all the functions of the Board of Directors delegated to him, except those that cannot be delegated pursuant to law or the Articles of Association.

Lead Independent Director
Mr. Mariano Marzo

The Lead Independent Director is responsible for coordinating, gathering and echoing the opinions of the External Directors. He heads the Board in the absence of the Chairman and Vice-Chairman and may ask the Chairman to call a meeting of the Board. He is also in charge of liaising with investors and shareholders to ascertain their views, particularly in relation to the corporate governance of the Company.

Renewal of Independent Directors

Ms. Arantza Estefanía Larrañaga
Appointed on 2019.
Independent

Ms. Teresa García-Milá Lloveras
Appointed on 2019.
Independent

Ms. Carmina Ganyet i Cirera
Appointed on 2018.
Independent

Mr. Ignacio Martín San Vicente
Appointed on 2018.
Independent

Ms. Maite Ballester Fornés
Appointed on 2017.
Independent

Mr. Mariano Marzo Carpio
Appointed on 2017.
Independent

Ms. Isabel Torremocha Ferrezuelo
Appointed on 2017.
Independent

Mr. René Dahan
Appointed by co-optation on 2020.
Independent

Board Committees

Delegate Committee — **Chairman:** External Director — 4 Meetings in 2020

8 Members	12.5% Executives	12.5% Proprietary	37.5% Independents	37.5% Other external	100% Personal attendance

Audit and Control Committee — **Chairwoman:** Independent Director — 9 Meetings in 2020

4 Members	100% Independents	97.2% Personal attendance

Nomination Committee — **Chairwoman:** Independent Director — 6 Meetings in 2020

4 Members	100% Independents	96% Personal attendance

Compensation Committee — **Chairwoman:** Independent Director — 3 Meetings in 2020

4 Members	25% Proprietary	75% Independents	100% Personal attendance

Sustainability Committee — **Chairman:** Independent Director — 4 Meetings in 2020

4 Members	25% Proprietary	75% Independents	100% Personal attendance

Our Corporate Governance

Effective commitment to our shareholders:

- General meetings accessible to all shareholders regardless of circumstances.
- High participation through remote means.
- Commitment to the quality of the information.
- Transparent remuneration with performance metrics aligned with the interests of the shareholders and sustainability.

48.3% Quorum for the General Meeting

98% Average approval of proposals at the General Meeting

Effective board of directors:

- Majority of independent directors.
- Balanced, qualified and diverse composition.
- Separate and complementary roles of Chairman, CEO and Lead Independent Director.
- Good practices of the Good Governance Code for the listed companies integrated in our internal regulations.

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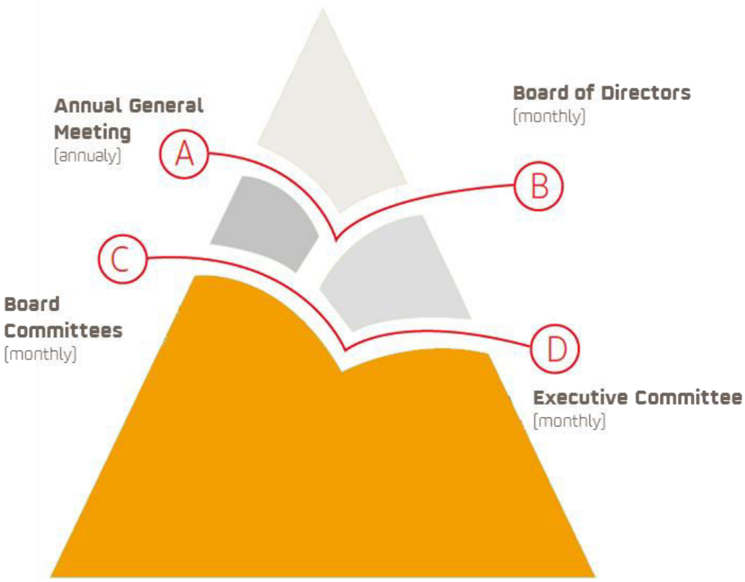
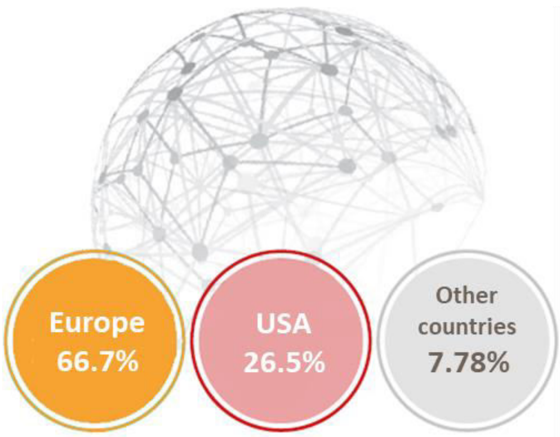
In the event of a discrepancy, the Spanish-language version prevails.

Shareholders have a relevant role in the decision-making process

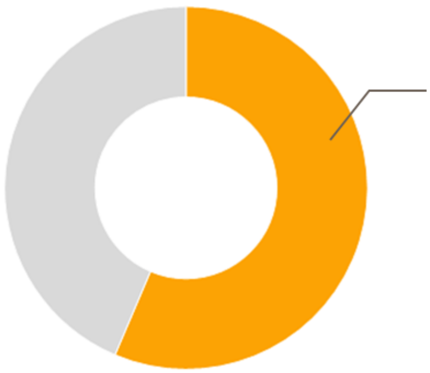


Institutional Investors



General Shareholders

May 8, 2020



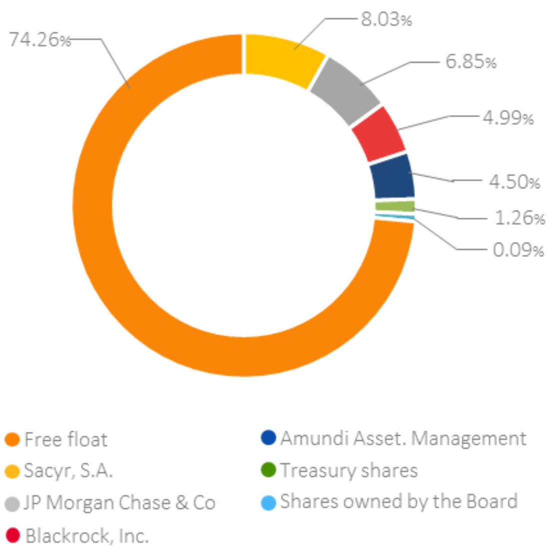
48.3%
Shareholders in attendance represented 48.3% of the Company's share capital

All proposals submitted were **approved** **12**

The proposals were approved with an average of **98%** votes in favor of the share capital in attendance **98%**

Shareholder composition[1]

Percentage of voting rights

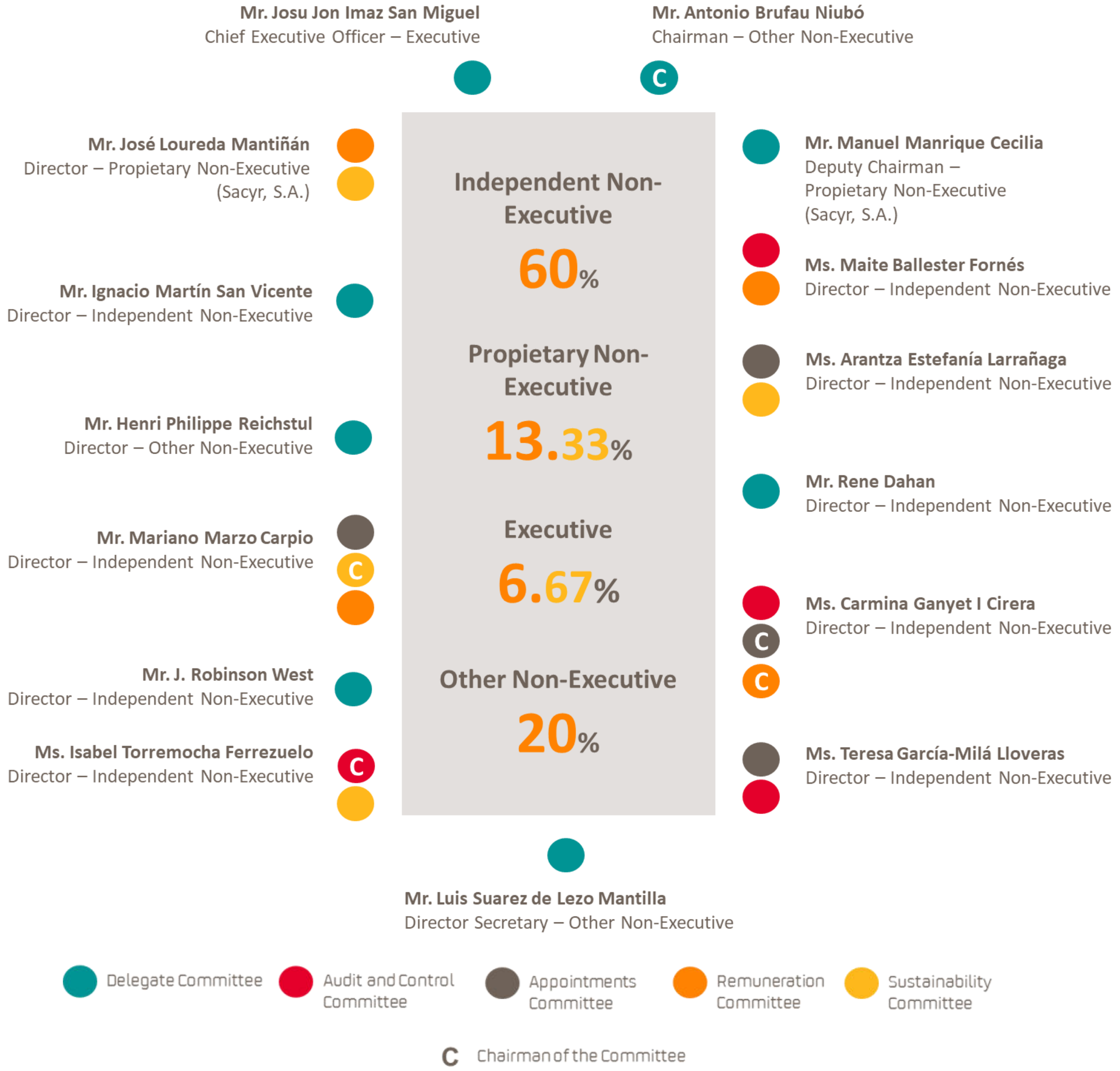


[2] For the calculation of the shareholder composition, data as of December 31, 2020 has been taken into account.

3. The Board of Directors

The Company's corporate governance system, established in accordance with the best national and international reference standards, guides the functioning of the Board of Directors.

Repsol's Board of Directors has the size and structure necessary to promote efficient functioning and maximize participation, in accordance with the Company's share capital structure as well as the geographical distribution and complexity of their business. Its composition was determined based on criteria of complementarity, balance, and diversity of knowledge, professional experience, nationality and gender[3].

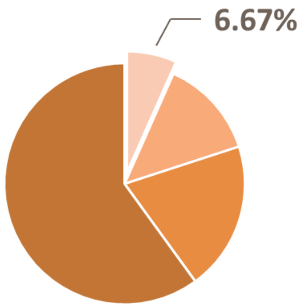


All shareholders with significant shares and proportional representation rights are represented on Repsol's Board of Directors, provided that they themselves have so requested.

[3] Further information on the composition of the Board of Directors may be consulted in section "B. REGULATORY INFORMATION – 3. Repsol's governance body" of this Report.

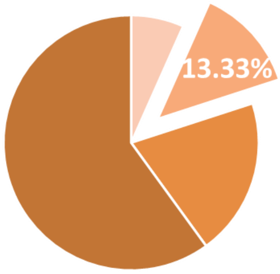
Executive Directors

Name of director	Position in company's organization
Mr. Josu Jon Imaz San Miguel	Chief Executive Officer



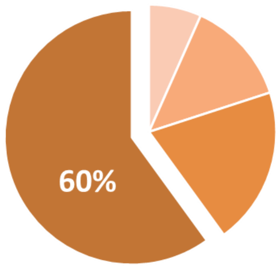
Proprietary Directors

Name of director	Name of significant shareholder represented or that proposed appointment
Mr. Manuel Manrique Cecilia	Sacyr, S.A.
Mr. José Manuel Loureda Mantiñán	Sacyr, S.A.



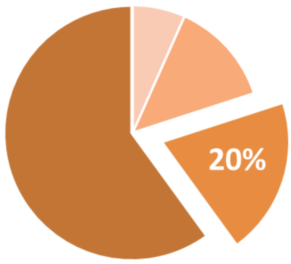
Independent Directors

Name of director
Ms. Maite Ballester Fornés
Mr. Rene Dahan
Ms. Arantza Estefanía Larrañaga
Ms. Carmina Ganyet i Cirera
Ms. Teresa García-Milá Lloveras
Mr. Ignacio Martín San Vicente
Mr. Mariano Marzo Carpio
Ms. Isabel Torremocha Ferrezuelo
Mr. J. Robinson West



Other Non-Executive Directors

Name of director and reasons	Company, executive or shareholder with which the director is related
Mr. Antonio Brufau Niubó [4]	Repsol, S.A.
Mr. Henri Philippe Reichstul [5]	Repsol, S.A.
Mr. Luis Suárez de Lezo Mantilla[6]	Repsol, S.A.



As established in the Company Bylaws, the Board must be formed by a maximum of sixteen (16) and a minimum of nine (9) Directors. The General Shareholders´s Meeting held on 31 May 2019 approved the number of members of the Board of Directors at fifteen (15), number kept out to this date.

[4] Mr. Brufau was the Chairman and CEO of Repsol until April 30, 2015 and, therefore, cannot be considered an Independent Director. He also cannot be classified as a Proprietary Director, given that he does not have a significant stake and has not been appointed as a result of being a shareholder or representing shareholders of the Company.

[5] Mr. Reichstul was an Independent Director from December 2005 to May 2017 and, therefore, cannot be considered an Independent Director. He also cannot be classified as a Proprietary Director, given that he does not have a significant stake and has not been appointed as a result of being a shareholder or representing shareholders of the Company.

[6] Mr. Suárez de Lezo was Executive Managing Director of Repsol until December 31, 2019 and, therefore, cannot be considered an Independent Director. He also cannot be classified as a Proprietary Director, given that he does not have a significant stake and has not been appointed as a result of being a shareholder or representing shareholders of the Company.

Key issues

Changes to the composition of the Board

- Appointment of Mr. René Dahan as Independent Director on July 22, 2020 after his resignation as Proprietary Director for having transferred Temasek's entire stake in Repsol's share capital.

Structure

- Wide majority of **Non-Executive Directors 93.33%**
- More than half of **Independent Directors 60%**
- The term of office of the Director is for **4 years**.
- Independence of the Committees.

Diversity

- Presence of women of the Board of **33%**
- Repsol´s commitment to increase the percentage of women of the Board of Directors to 30% by 2020 **achieved**. Assumption of and new active commitment to increase said percentage to **40%** before the end of 2022.
- **International representation** of the Board of **26.6%**: Rene Dahan (Dutch), Robinson West (American) and Maite Ballester (Spanish and American passport) and Henri Philippe Reichstul (Brazilian). Additionally, other Directors have a broad international experience.

Separation of the role of chairman and CEO

- Since April 2014, the positions of Chairman of the Board of Directors and Chief Executive Officer of the Company have been **separated**.
- **Josu Jon Imaz** is the **Chief Executive Officer** and discharges executives functions and **Antonio Brufau** holds the position of **Chairman of the Board of Directors**.
- The separation of functions ensures the balance of powers, promoting the independence and objectivity of the Board in its supervisory tasks.

4. Interaction with investors

Repsol is committed to following best practices, and voluntarily incorporates recommendations from shareholders, investors, proxy advisors and other stakeholders, such as financial analysts, regulatory and supervisory bodies, or credit rating agencies, among others.

The Company therefore continuously assesses the expectations of these stakeholders, engages in ongoing dialogue with them and regularly reports in a transparent manner on its financial, governance, environmental and social performance. The Chief Executive Officer, Josu Jon Imaz, manages and leads specific roadshows on the Company's Environmental, Social and Governance (ESG)[7] matters, responding to requests for information from stakeholders.

The Board of Directors is informed on a regular basis of the perceptions and expectations of shareholders, investors, proxy advisors and other stakeholders.

The Repsol Group has also approved and published on its website its Policy on communication and contact with shareholders, investors, and proxy advisors and on the disclosure of economic-financial, non-financial and corporate information, wherein it is defined and established the general principles and criteria governing the communication of economic-financial, non-financial and corporate information through the channels deemed appropriate and, specifically, contacts with shareholders, investors and proxy advisors, with particular attention to the points of view of those shareholders and major investors not represented on the Board of Directors.

The 2020 Communication Plan has been adapted to the situation created by COVID-19, therefore most of the events that have been held have been performed through remote means. The communication of the 2020-2025 Strategic Plan presented on November 26, 2020, and specifically the roadshow led by the CEO to inform the investment community of the Company's strategic lines and objectives for the next five years, as well as the actions that the Company is taking to respond to the challenge of the energy transition, shall be highlighted among the main milestones of the year.

Activity with institutional investors and shareholders in 2020

330 investors visited

17 *roadshows*

12 conferences

Interaction with shareholders that hold

≃500M shares of the Company´s total shares

≃72% of identified institutional shareholders

[7] These investors apply sustainability criteria when making decisions.

Activity with ESG investors and shareholders in 2020

75 investor contacted[8]

7 roadshows

8 specialized Conferences

Interaction with shareholders that hold

≃+161M shares of the Company´s total shares

≃65% of ESG shareholders

The company has been a pioneer in Spain in bidirectional communication with ESG shareholders and is highly valued by investors. In this regard, the Climate Action 100+ initiative, which brings together 545 investors that manage approximately USD 52 billion, has recognized Repsol as an example for its good practices in transparency and dialogue with ESG investors. For more information on the interaction carried out in 2020 with ESG investors on environmental, social and governance issues, see the 2019-2020 Engagement Report.

Presence on ESG indexes

Corporate Human Rights Benchmark (CHRB)

According to the assessment carried out by CHRB, Repsol has obtained a score of 20.5 out of 26 in 2020, making it the 10th company in the world. In the Oil & Gas Sector, the company ranks third in terms of Human Rights performance.

Transition Pathway Initiative (TPI)

In 2020, this initiative, supported by 60 of the largest international investors, has recognized that the goal of reaching zero net emissions by 2050 represents an improvement on the commitments previously acquired by Repsol, with intermediate goals for reducing emissions more ambitious.

ISS-ESG Corporate Rating

In 2020 Repsol renews its "Prime" rating in the ISS ESG Corporate Rating. This index analyzes sustainability performance from a Best-in-class perspective, granting the "Prime" rating to the leading companies in their sector that meet the sustainability performance requirements evaluated.

Standard & Poors ESG rating

Repsol participated in 2020 for the second consecutive year in the ESG rating developed by Standard & Poor's. With a score of 68/100, S&P places Repsol among the companies in its sector, highlighting its growth strategy in the energy transition. Additionally, it values adequate management of social and environmental risks, highlighting its Sustainability strategy as one of the most advanced in the O&G Sector.

CDP *Cambio Climático*

It recognizes the companies with the best energy and carbon management. Since 2006 Repsol has been listed as one of the best companies in its sector. In 2020, Repsol has remained in the leadership band in the fight against climate change, with a score of A-. Positioning in this band implies the absolute integration of risks and opportunities related to climate change in the management of the company, as well as the formulation and implementation of strategies to mitigate or capitalize on these risks and opportunities.

[8] ~75% of our ESG shareholding. Additionally, meetings have been held with large institutions (Blackrock, State Street, Northern Trust, Vanguard, Fidelity) which are increasingly adopting ESG criteria in their investment processes.

Repsol Shareholders Community

More than **42,000** shareholders registered

≃**32,000** queries resolved by telephone calls and e-mail

More than **53** communications sent to minority shareholders

In order to strengthen the Company's direct and two-way relationship with individual shareholders, Repsol established the “Repsol en Acción Community” channel, where the Company's shareholders may sign up voluntarily.

Repsol Shareholders Advisory Committee

The Company has had the Repsol Shareholders Advisory Committee since 2014, which was created with the aim of improving the dialogue between the company and its shareholders and is part of the Repsol Group's corporate governance policy, as an initiative to promote and establish channels for a regular exchange of information with groups of shareholders. The Committee is composed of twelve (12) minority shareholders, the ED CFO, who chairs it, and the ED Investor Relations Director as the Vice-chairman.

The shareholders members of the Committee have submitted various proposals to improve the relationship and communication with this group, which have been analyzed in full and applied when deemed appropriate.

Information provided to the market

The Repsol Group has an Investor Relations Division whose responsibilities include ensuring that the information supplied by the Company to the market (financial analysts and institutional investors, among others) is transmitted in an equitable and symmetrical manner and on a timely basis and, in accordance with the Repsol Group's Internal Code of Conduct in relation to the Securities Market, that such information is accurate, clear, complete and, when required by the nature of the information, quantified, without being misleading or confusing.

B. The Repsol Corporate Governance System

1. Regulatory Framework

The external regulatory framework of reference and the Company's internal regulations regarding corporate governance are described below.

1.1. EXTERNAL REGULATORY FRAMEWORK

Revised Text of the Spanish Corporate Enterprises Act, approved by Legislative Royal Decree 1/2010, of July 2 (the "Corporate Enterprises Act")	CNMV Circular 1/2020, of October 6 ("Circular 1/2020"), that amends Circular 5/2013, of June 12 ("Circular 5/2013")
It constitutes the main regulation that governs in general the functioning of corporate enterprises under Spanish law. With regard to companies whose shares are admitted to listing on an official secondary market, particular mention should be given to Title XIV of this law, which governs the special characteristics applicable to these types of companies under the ordinary regime. Among others, according to the provisions of article 540 of the Corporate Enterprises Act, includes the obligation to report to the Spanish National Securities Market Commission (the "CNMV") and publish a corporate governance report on an annual basis (the "Annual Corporate Governance Report") as a Material Event.	This Annual Corporate Governance Report, corresponding to 2020, is prepared pursuant to section 540 of the Spanish Corporate Enterprises Act (Ley de Sociedades de Capital), following the instructions established in Circular 1/2020 of the Spanish National Securities Market Commission. In accordance with the option offered by Circular 1/2020, Repsol has continued its commitment to the preparation of this report on the free format model, including the minimum content required by the regulations and the statistical appendix included in Circular 1/2020. This Report therefore responds to Repsol's desire to remain at the forefront in the transparency of its corporate governance system as well as to facilitate the shareholders' understanding of that information. This Annual Corporate Governance Report has been approved by unanimous vote by the Board of Directors at its meeting on 17 February 2021.

Good Governance Code for Listed Companies, review by the CNMV on June 26 2020 (the "GGC")
This is the reference framework in Spain on best practices regarding corporate governance. It is voluntary and follows the "comply or explain" principle. With regard to the structure of the GGC, it should be noted that 25 of general principles (25) are identified, which are those that inspire and underpin the (64) recommendations on each specific matter. On June 26, the CNMV approved a partial reform of the Code, modifying the CNMV has introduced changes in 20 of the 64 recommendations contained therein. In this regard, and Repsol has implemented and adapted its practices and procedures to the modifications made to the CBSG recommendations, which has deemed all the necessary measures to comply with the new aspects contained in them appropriate. **Appendix I** of this annual corporate governance report contains detailed information on compliance with the recommendations of the GGC, as well as any relevant explanations, where applicable.

1.2. INTERNAL REGULATORY FRAMEWORK

The complete and updated texts of the Company's internal regulations that are described below, as well as other corporate governance information and on general meetings, are available for consultation on the Company's corporate website(www.repsol.com), under the 'Shareholders and Investors - Corporate Governance' section.

These regulations are reviewed on a regular basis in order to incorporate best corporate governance practices and maintain the highest degree of transparency of information in relation to the Company's shareholders and other stakeholders.

This not only evidences compliance on the part of Repsol with applicable regulations, but also its intent to go beyond the inclusion of and adherence to recommendations, best practices and trends in corporate governance, both at a national and international level. In this regard, Repsol has updated its Regulations of the Board of Directors and some of its policies and has also agreed to submit to the consideration of the next General Shareholders 'Meeting certain modifications in the Bylaws, in the Regulations of the General Shareholders' Meeting and in the Directors' Remuneration Policy, all in order to adapt them to the new recommendations of the Good Governance Code of listed companies.

Company Bylaws	• Basic regulations, approved at the General Shareholders Meeting, that govern the internal functioning of the Company and, among other matters, the rights and obligations of the shareholders and the structure, functioning and composition of the General Shareholders Meeting, the Board of Directors and its various Committees. • The Bylaws were amended on three occasions in 2020 (January 9, July 8 and October 8, 2020), and on January 12, 2021, with these amendments affecting Articles 5 and 6, relating to share capital[9].
Regulations of the General Meeting	• Regulations, approved at the General Shareholders Meeting, the purpose of which is to govern the Repsol General Shareholders Meeting, establishing for such purpose the principles of its organization and operation and the rules governing its legal and bylaw-stipulated activities and supplementing the applicable rules established in current commercial legislation and in the Company Bylaws. • Approved on April 4, 2003 and last amended on April 30, 2015.
Board Regulations	• Regulations, approved by the Board of Directors, the purpose of which is to govern its structure, competencies and functioning, as well as that of its Committees[(1)]. • Approved on December 19, 2007 and last amended in February 17, 2021. [(1)] The specific regulation of the Board Committees is in Articles 33, 34, 35, 36 and 37 of the Board of Directors Regulations
Internal Code of Conduct in the Securities Market	• Regulations, approved by the Board of Directors, the purpose of which is to govern the rules of conduct that must be observed by the persons included in its scope of application in its actions related to securities markets. • Approved on July 11, 2003 and last amended on February 4, 2020.
Ethics and Conduct Code	• Regulations, approved by the Board of Directors, the purpose of which is to establish the reference framework to understand and put into practice the behaviors and expectations that Repsol has in the persons that form part of the Company in their daily work. • Approved on November 26, 2003 and last amended on July 27, 2016.
Corporate policies	• In addition to the internal regulations already mentioned, the Board of Directors has approved the following policies: o Sustainability Policy. o Risk Management Policy. o Anti-corruption Policy. o Policy on Diversity in the Composition of the Board of Directors and the Selection of Board Members. o Policy on communication and contact with shareholders, investors, and proxy advisors and on the disclosure of economic-financial, non-financial and corporate information. o Tax Policy.

[9] For further references to information on share capital, please refer to section "B. REPSOL'S CORPORATE GOVERNANCE SYSTEM - 2.1. Ownership structure" of this Report

2. Ownership structure of the Company

2.1. Ownership structure

Share capital structure

SHARE CAPITAL AT DECEMBER 31, 2020 **€1,527,396,053**

In 2020 share capital was altered on three occasions:

January 9, 2020	Closing of the paid-up capital increased approved as item 6 of the agenda for the General Shareholders Meeting held on May 31, 2019.
July 8, 2020	Closing of the paid-up capital increase approved as item 6 of the agenda for the General Shareholders Meeting held on May 8, 2020.
October 8, 2020	Execution of the reduction of capital reduction through cancelation of own shares approved as item 8 of the agenda for the General Shareholders Meeting held on May 8, 2020.

Likewise, on January 12, 2021, the second Repsol's paid-up capital increase approved as item 7 of the agenda of the General Shareholders Meeting held on May 8, 2020 were declared completed, bringing the Company's share capital to €1,567,890,563, divided into 1,567,890,563 shares and 1,567,890,563 voting rights.

At December 31, 2020

1,527,396,053

Shares

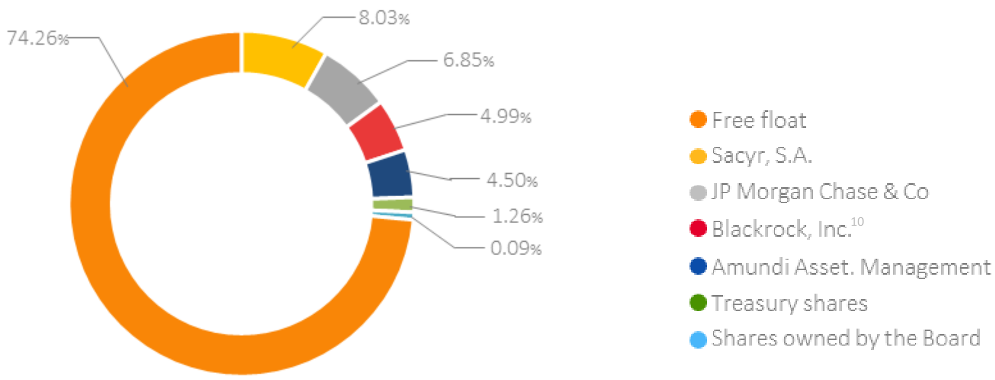
(par value of shares €1)

- They are listed on the continuous market of the Spanish Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia)
- Of the same class and series. There are no shares that are not represented in the share capital.
- Same voting and dividend rights.
- They are represented by book entries.
- Fully subscribed and paid.
- One share, one vote.

Repsol has American Depositary Shares ("ADS") that are listed on the United States OTCQX market, and shares of the Peruvian company Refinería La Pampilla, S.A., belonging to the Company's consolidated group, which are listed on the Lima Stock Exchange in Peru.

Share capital

At December 31, 2020, the share capital, with the free float representing 74.26% of share capital, was distributed as follows:



There is no individual or legal entity that exercises or may exercise control over the Company, understanding what is established in article 42 of the Commercial Code, for the purposes of Article 5 of the revised text of the Securities Market Law, approved by Legislative Royal Decree 4/2015, of October 23 (the "Securities Market Law").

Significant interests

At December 31, 2020, the direct and indirect holders of significant interests in Repsol, excluding the Directors, are as follows:

	% of voting rights attributed to shares		% of voting rights through financial instruments		% of total
	Direct	Indirect	Direct	Indirect	
SACYR, S.A. (1)	--	8.034	--	--	8.034
BLACKROCK Inc. (2)	--	4.762		0.236	4.998
AMUNDI ASSET (3) MANAGEMENT	--	4.500	--	--	4.500
JP MORGAN(4) CHASE& CO	--	0.585	--	6.270	6.855

(1) Sacyr, S.A. holds its share through Sacyr Securities, S.A., Sacyr Investments S.A.U. and Sacyr Investments II, S.A.U.
(2) BlackRock, Inc. holds its stake through various controlled entities. BlackRock, Inc. information is based on the statement filed by such entity with the CNMV on December 10, 2019 regarding the share capital figure of 1,527,396,053 shares.
(3) Amundi Asset Management holds its shares through various controlled entities. The information regarding Amundi is based on the statement submitted by said entity to the CNMV on December 22, 2020 regarding the capital stock of 1,527,396,053 shares.
(4) JP Morgan holds its stake through various controlled entities. The information regarding JP Morgan Chase & Co is based on the statement filed by said entity with the CNMV on March 19, 2020 regarding the capital stock of 1,566,043,878 shares.

[10] In order to calculate the shareholder composition, in the case of Blackrock, Inc. the percentage of voting rights attributed to the shares and the percentage of voting rights through financial instruments were taken into account.

Breakdown of direct holders with indirect interests

Indirect holder	Direct holder	% of voting rights attributed to shares	% of voting rights through financial instruments	% of total
SACYR, S.A.	SACYR INVESTMENTS, S.A.U.	1.964	--	
	SACYR INVESTMENTS II, S.A.U.	4.760	--	8.034
	SACYR SECURITIES, S.A.	1.309	--	
JP MORGAN CHASE & CO.	ENTITIES CONTROLLED BY JP MORGAN	0.585	6.270	6.855
AMUNDI ASSET MANAGEMENT	ENTITIES CONTROLLED BY AMUNDI	4.500	--	4.500
BLACKROCK, INC.	ENTITIES CONTROLLED BY BLACKROCK	4.762	0.236	4.998

The details set out in this section, as of December 31, 2020, from the information supplied by *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.* (IBERCLEAR), and from the information sent by shareholders to the Company and to the Spanish National Securities Market Commission (CNMV).

Principal changes to the shareholder structure in 2020

Name of significant shareholder	Date of transaction	Description of the transaction
NORGES BANK	January 8, 2020	Interest has risen above 3% of share capital
NORGES BANK	January 10, 2020	Interest has fallen below 3% of share capital
NORGES BANK	February 7, 2020	Interest has risen above 3% of share capital
NORGES BANK.	February 14, 2020	Interest has fallen below 3% of share capital
NORGES BANK	February 14, 2020	Interest has risen above 3% of share capital
NORGES BANK	February 17, 2020	Interest has risen above 3% of share capital
NORGES BANK	March 6, 2020	Interest has fallen below 3% of share capital
JP MORGAN CHASE&CO	March 13, 2020	Interest has risen above 5% of share capital
AMUNDI ASSET MANAGEMENT	December 18,2020	Interest has risen above 3% of share capital

Company voting rights held by Board members

As of December 31, 2020, the total voting rights held by the Company's Directors amounted to **0.091%.**

Breakdown of individual positions

	Number of shares		% of voting rights attributed to shares		% of voting rights through financial instruments				% of voting rights that may be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Total number of shares	% of total	Direct	Indirect
Mr. Antonio Brufau Niubó(1)	598,292	--	0.039	--	--	--	598,292	0.039	--	--
Mr. Manuel Manrique Cecilia	161	1,442	0.000	0.000	--	--	1,603	0.000	--	--
Mr. Josu Jon Imaz San Miguel	423,753	--	0.027	--	--	--	423,753	0.027	--	--
Ms. Maite Ballester Fornés	--	--	0,000	--	--	--	--	0,000	--	--
Mr. Rene Dahan	160,204	--	0.010	--	--	--	160,204	0.010	--	--
Ms. Arantza Estefanía Larrañaga	--	--	0,000	--	--	--	--	0,000	--	--
Ms. Carmina Ganyet i Cirera	20	--	0.000	--	--	--	20	0.000	--	--
Ms. Teresa Garcío-Milá Lloveras	2,251	--	0.000	--	--		2,251	0.000	--	--
Mr. José Manuel Loureda Mantiñán	188	104,717	0.000	0.006	--	--	104,905	0.006	--	--
Mr. Ignacio Martín San Vicente	7,870	--	0.000	--	--	--	7,870	0.000	--	--
Mr. Mariano Marzo Carpio	--	--	0.000	--	--	--	--	0.000	--	--
Mr. Henri Philippe Reichstul	50	--	0.000	--	--	--	50	0.000	--	--
Ms. Isabel Torremocha Ferrezuelo	10,884	--	0.001	--	--	--	10,884	0.001	--	--
Mr. J. Robinson West	--	--	0.000	--	--	--	--	0.000	--	--
Mr. Luis Suárez de Lezo Mantilla	80,841	--	0.005	--	--	--	80,841	0.005	--	--

(1) Mr. Brufau is the individual with mayor number of shares of Repsol.

Breakdown of direct holders with indirect interests (mentioned above)

	Direct holder	% of voting rights attributed to shares	% of voting rights through financial instruments	% of total	% of voting rights that may be transferred through financial instruments
Mr. José Manuel Loureda Mantiñán	PRILOU, S.L.	0.006	--	0.006	--
Mr. Manuel Manrique Cecilia	CYMOFAG, S.L.U.	0.000	--	0.000	--

Representation of significant shareholders on the Board of Directors

The appointment of Directors José Manuel Loureda Mantiñán and Manuel Manrique Cecilia was proposed by the significant shareholder Sacyr, S.A., whom relation is detailed below:

Relationships of the Directors with the significant shareholder Sacyr, S.A. and/or entities of its group

Name of related director or representative	Name of related significant shareholder	Name of the group company of the significant shareholder	Description of relationship/position
Jose Manuel Loureda Mantiñán	SACYR, S.A.	SACYR, S.A.	Director Indirect holder of 8.271% of the share capital of Sacyr, S.A. through Prilou, S.L. and Prilomi, S.L. Representative of Prilou, S.L. on the board of Sacyr, S.A.
		SACYR SERVICIOS, S.A.U.	Chairman
		SACYR CONSTRUCCIÓN, S.A.U.	Director
Manuel Manrique Cecilia	SACYR, S.A.	SACYR, S.A.	Chairman - Chief Executive Officer Indirect holder of 1.382% of the share capital of Sacyr, S.A. through Cymofag, S.L.U.
		SACYR CONSTRUCCION, S.A.U.	Chairman - Chief Executive Officer
		SACYR SERVICIOS, S.A.	Director
		SACYR CONCESIONES, S.L.	Chairman - Chief Executive Officer
		SACYR SERVICIOS, S.A.U.	Director
		SACYR PARTICIPACIONES MOBILIARIAS, S.L.	Representative of Sacyr, S.A. as Sole Director of Sacyr Vallehermoso Participaciones Mobiliarias, S.L.
		SACYR FINANCE, S.A.	Representative of Sacyr, S.A. as Sole Director of Sacyr Finance, S.A.

The Company does not have any record of any family, commercial, contractual or corporate relationships between holders of significant stakes, or any significant relationships of this type or those arising from ordinary trading activities between the holders of significant stakes and the Company.

Restrictions on voting rights and nomination of members of management bodies

The exercise of voting rights corresponding to shares and its capacity to appoint members of the Board of Directors may be affected by the following regulations applicable to the Company.

Article 34 of Royal Decree-Law 6/2000, of June 23, on urgent measures to intensify competition in goods and services markets ("Royal Degree-Law 6/2000")	Law 3/2013, of June 4, on the creation of the Spanish National Markets and Competition Commission ("Law 3/2013, 4 of June")
It establishes restrictions on the voting right and the ability to directly or indirectly appoint members of the management bodies of companies that have the status of principal operator in the same market or sector, including, among others, markets for the production and distribution of fuels, liquefied gases of oil and natural gas as well as generation of electricity. The main operator is defined as the entities that hold the five largest shares of the market in question. These limitations are specified in individual or legal entities who, directly or indirectly, participate in the capital or in the voting rights of two or more companies that have the status of principal operator in the same market or sector, or have themselves the condition of principal operator in the same market or sector may not exercise the voting rights in a second company that has the same status of principal operator in the same market or sector, in a share of more than 3% of the total in the capital or in other securities that confer political rights of that other company, nor may they directly or indirectly appoint members of the administrative bodies of said company These constraints will not be applicable to parent companies that are principal operators in respect of their subsidiaries that are in the same position, provided this structure is imposed by law or the result of a mere redistribution of securities or assets among group companies. However, the Spanish National Markets and Competition Commission (the "CNMC") may authorize the exercise of the voting rights corresponding to the excess with regard to interests or the appointment of members of the governance bodies, provided this does not favor the exchange of strategic information among operators or imply any risks of coordination of their strategic actions.	It establishes a procedure for controlling certain business transactions in the energy sector, among them the acquisition of interests in companies that carry out oil refining activities, transportation through oil pipelines and storage of petroleum products. All these facilities that are also considered as strategic assets. In particular, the acquisition of a stake in the share capital that give a significant influence in the management of those companies that, directly or through controlled companies, carry out such activities have to be communicated to the CNMC who will be competent to hear such operations in accordance with the provisions of the ninth additional provision of Law 3/2013, of June 4, until the competent Ministry has the necessary means to exercise said competence. Said operations may be subject to the imposition of conditions relating to the exercise of the activity of the affected companies or to the purchaser, if the latter is not a national of the European Union or the European Economic Area and it is considered that there is a real and sufficiently serious threat that risks arise for the guarantee of supply of hydrocarbons.

Furthermore, and in line with recommendation number 1 of the Good Governance Code for Listed Companies, Repsol's Bylaws do not contain any restrictions as to the maximum number of votes that may be cast by a single shareholder, or impose any other restrictions that may hinder the acquisition of a controlling stake in the market.

Lastly, it should be noted that in 2020 the Company did not resolve to take any measures to neutralize a takeover bid pursuant to Article 135 of the Securities Market Law.

Shareholders agreements

The Company has not been notified of any shareholders agreements that affect it, and no concerted actions have taken place between its shareholders.

Significant agreements that may be affected by a change in control of the Company as a result of a takeover bid

The Company usually participates in the exploration and exploitation of hydrocarbons through consortiums or joint ventures with other oil companies, both public and private. The agreements regulating the relations among partners of the joint ventures commonly grant the other members a right of pre-emption, in the case that any of the members in the cases in which one of the members intends to directly or partially transfer their participation. , in some cases, this could also be applied in cases of indirect transmission, that is, when a change of control occurs in a member.

The laws regulating the oil and gas industry in several countries in which the company operates also submit to prior authorization by the competent government of any transfer of all or part of licenses for hydrocarbon exploration and exploitation concessions, and such authorization is sometimes also required for takeovers of the concessionary company or companies, especially the one that operates the mining business.

Treasury shares

At 2020 year-end, the Company directly held:

19,313,429	1.264%
Treasury shares	% of voting rights

Significant variations during the year

Notice date	total % of share capital [1]
12/02/2020	0.685
12/02/2020	1.477
24/03/2020	0.897
24/03/2020	0.258
26/03/2020	1.573
20/07/2020	0.599
11/08/2020	1.743
19/08/2020	2.791
28/08/2020	3.843
11/09/2020	4.859
28/09/2020	7.149
30/10/2020	0.008
18/11/2020	0.554
10/12/2020	0.358

[1] Percentage calculated on the share capital in force at the date of each notification.

With regard to treasury share transactions, the Board of Directors is currently authorized to carry out the derivative acquisition of Repsol shares, either directly or through subsidiaries, by virtue of the authorization approved at the Company's Annual General Meeting held on second call on May 11, 2018, as item 8 of the agenda, the resolution of which is transcribed as follows:

"One. To authorize the Board of Directors for the derivative acquisition of shares of Repsol, S.A., by sale, purchase, exchange or any other onerous legal business modality, directly or through subsidiaries, up to a maximum number of shares, that added to those already own by Repsol, S.A. and its subsidiaries, not exceeding 10% of the share capital and for a price or equivalent value that may not be lower than the nominal value of the shares nor exceed the quoted price on the stock market. The authorization includes the acquisition of shares that, if any, may be disbursed among the employees and directors of the Company and its Group or used to satisfy the exercise of option rights that such persons may hold. This authorization, which is subject to compliance with all other applicable legal requirements, will be valid for 5 years from the date of this General Shareholders Meeting, rendering null and void, with regard to the part not used, the authorization granted at the Annual General Meeting held on March 28, 2014 as item twenty on the Agenda.

Two. To authorize the Board of Directors to in turn delegate (with the power of delegation, where appropriate) to the Delegate Committee and/or the Chief Executive Officer, pursuant to that established in Article 249 bis.l) of the Corporate Enterprises Act, all the powers that may be delegated that are referred to in this resolution, and all without prejudice to the powers of attorney that exist or may be conferred in relation to the content of this resolution."

2.2. GENERAL SHAREHOLDERS MEETING

Attendance quorum
48.3%

8
MAY

General Shareholders' Meeting held through telematic means

The General Shareholders Meeting is the sovereign corporate body through which the shareholders' right to participate in the Company's decision-making process is exercised. The basic principles of its organization and operation are governed in the Company Bylaws and in its Regulations, which contain the rules governing its legal and bylaw-stipulated activities and supplement the applicable rules established in current commercial legislation and the Company Bylaws.

The General Meeting, duly called and convened, will decide by the majorities required in each case by law, the Company Bylaws and the Regulations of the General Meeting on the matters within its competence and on the following:

Powers of the General Meeting

- Approval of the financial statements of Repsol and the consolidated financial statements of its group, the management of the Board of Directors, and the proposed allocation of profit or loss.
- Increase and reduction of share capital, including authorization to the Board of Directors to increase share capital under the terms established in the Corporate Enterprises Act and the removal or limitation of pre-emption rights.
- Approval of the issue of debentures and authorization to the Board of Directors to do so.
- Appointment and removal of directors, and ratification or revocation of appointments by co-optation made by the Board.
- Acquisition, disposal or contribution to another company of the Company's essential operating assets.
- Transfer to subsidiaries of essential activities performed up until that time by the Company, even if the Company retains full control over these activities.
- Approval, when permitted by law, of structural modifications and, in particular, the transformation, merger, spin-off, global assignment of assets and liabilities, and transfer of the registered office abroad.
- Approval of the Directors' remuneration policy.
- Releasing of Directors, on an individual basis, from the obligations deriving from their duty of loyalty in the following cases:
  a. Authorization of related party transactions in the cases contemplated in Article 22 bis of the Company Bylaws.
  b. Release from the prohibition of obtaining advantages or remuneration from third parties, other than the Company and its Group, associated with the performance of their duties, unless these are merely courtesies.
  c. Release from the obligation not to compete with the Company, pursuant to Article 44 bis of the Company Bylaws.
- Approval of operations that have the equivalent effect of liquidating the Company.
- Authorization for the acquisition of treasury shares.
- Approval of the final liquidation balance sheet.
- Appointment and, as case may be, removal of auditors.
- Approval of amendments to the Bylaws in accordance with Law and the Company Bylaws.
- Dissolution of the Company.

Accordingly, the Company has not made any decisions that must be submitted for approval at the General Shareholders Meeting, other than those established by law, which involved the acquisition, disposal or contribution to another company of essential assets or any other similar corporate transaction.

Quorums for calling the meeting and voting

The quorum required to validly convene the General Shareholders Meeting is governed by the rules established in the Corporate Enterprises Act.

However, with regard to the majorities necessary for passing resolutions, the Company Bylaws, as authorized by law, establish a larger quorum, both on first and second call, of 75% of the share capital with voting rights attending the General Meeting to validly pass the resolutions indicated below:

- Authorization of related party transactions in the cases contemplated in Article 22 bis of the Company Bylaws.
- Releasing of a Director from their obligation of non-competition pursuant to Article 44 bis of the Company Bylaws.
- Amendment to Articles 22 bis and 44 bis of the Company Bylaws on related party transactions and prohibition of competition for Directors.
- Amendment to Article 22.3 of the Company Bylaws, which explains the larger majority for voting.
- Amendment to Article 13.8 of the Regulations of the General Shareholders Meeting, which explains the larger majority for voting.

Amendments to the Company Bylaws are governed by the following articles:

Article 21 of the Company Bylaws

This article indicates that in order for the General Meeting, whether annual or extraordinary, to be able to validly agree to any amendment to the Bylaws, the following will be necessary:

First call: the attendance of shareholders, in person or by proxy, representing at least 50% of the subscribed share capital with voting rights.

Second call: the attendance of shareholders representing 25% of the share capital.

Article 22 of the Company Bylaws

This article indicates that in order to validly pass a resolution to amend the Bylaws, the following majorities are required:

If the share capital in person or by proxy exceeds 50% of the subscribed share capital with voting rights, the favorable vote of the absolute majority will be sufficient, such that the resolution will be deemed to have passed when the votes in favor represent more than half of the votes corresponding to the shares present in person or by proxy at the meeting. When shareholders attending the meeting on second call represent 25% or more of the subscribed share capital with voting rights, but less than 50%, the favorable vote of two thirds of the share capital present in person or by proxy at the meeting will be required.

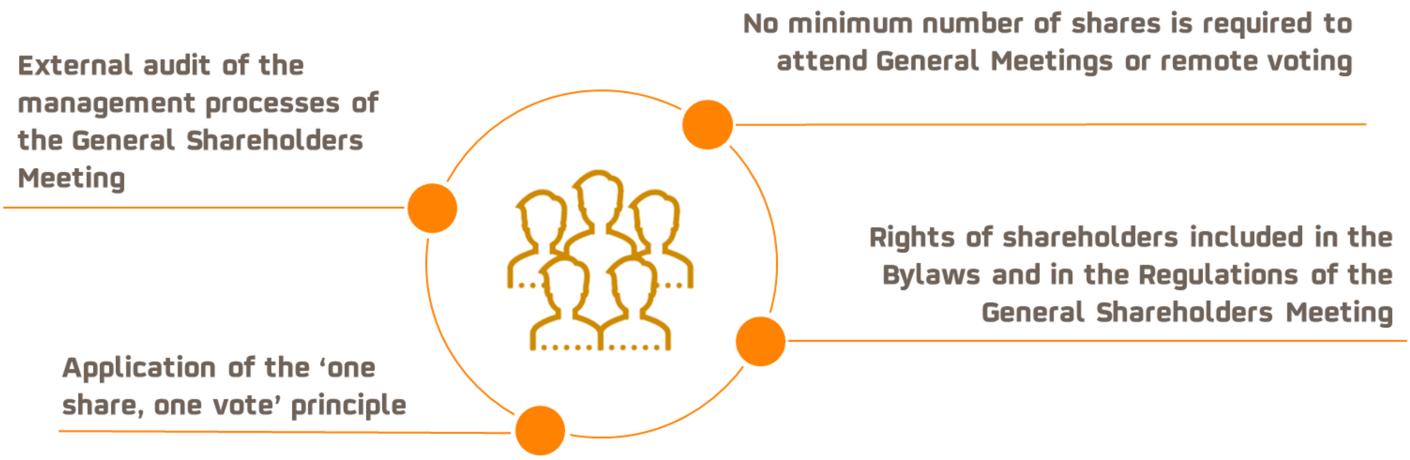
However, and in accordance with that indicated above, a special requirement is established with regard to the regime set forth in the Corporate Enterprises Act for the amendment of Article 22 bis (“Related party transactions”) and Article 44 bis (“Prohibition of competition”) of the Bylaws, and the amendment of the special rule itself (Article 22.3). In order to validly approve these amendments to the Bylaws, they will require, both on first and second call, the favorable vote of 75% of the share capital with voting rights attending the General Meeting.

Right to attend

Those shareholders that meet the following conditions may attend the General Meeting:

- Their shares are registered in the corresponding accounting record five days before the meeting is held.
- They have the corresponding attendance, proxy and distance voting card.

There are no other restrictions established in the bylaws requiring a minimum number of shares to attend General Meetings.



Attendance, proxy and distance voting cards are issued by the corresponding member of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR) in each case or by the Company itself.

These cards may be exchanged on the date of the meeting for other standardized documents for recording attendance, issued by the Company, in order to:

- facilitate the compiling of the attendance list;
- exercise voting rights, and
- exercise other shareholders' rights.

Notwithstanding the foregoing, as a consequence of the Covid-19 pandemic, Repsol has had to adapt some aspects related to the celebration of its 2020 General Shareholders' Meeting to comply with the provisions of Royal Decree 463/2020, of 14 March, which declares the state of alarm for the management of the health crisis caused by COVID-19, Royal Decrees 487/2020, of April 10 and 492/2020, of April 24, by which the state of alarm and Royal Decree Law 8/2020, of March 17 and 11/2020 of March 31, of extraordinary urgent measures to face the economic and social impact of Covid-19 were extended. Thus, since the General Shareholders' Meeting was called and taking into account the circumstances in force at that time, the Company adopted all the appropriate measures to facilitate the exercise of political rights by its shareholders, informing them promptly of all of them during the weeks prior to the holding of the Meeting.

Voting by remote means of communication prior to the meeting

Shareholders with the right to attend may vote by remote means of communication on the proposals regarding the items on the agenda prior to the date of the meeting, provided the identity of the shareholder exercising their voting rights is duly guaranteed (Article 23 of the Company Bylaws and Article 7 of the Regulations of the General Shareholders Meeting).

Details of attendance and main resolutions passed at the 2020 General Meeting

On May 8, 2020, at 12:00 hours, the Ordinary General Shareholders' Meeting of Repsol, S.A. was held in the Auditorium of its headquarters, calle Méndez Álvaro nº 44, Madrid The General Meeting was held on second call and was constituted with the attendance of a total of 755,730,276 shares, reaching a quorum of 48.26% of the share capital.

755,730,276
shares [11]

48.26%
of share capital

Data on attendance at General Shareholders Meetings

Date of General Meeting	% of attendance in person[12]	% by proxy	% of distance voting		Total
			Electronic vote	Others	
May 11, 2018	8.09%	50.07%	0.02%	0.58%	58.76%
Of which is free float:	0.15%	40.22%	0.02%	0.58%	40.97%
May 31, 2019	8.042%	47.572%	0.032%	0.745%	56.392%
Of which is free float:	0.114%	47.427%	0.32%	0.745%	48.318%
May 8, 2020	7.941%	39.314%	0.049%	0.953%	48.257%
Of which is free float:	0.043%	39.222%	0.049%	0.953%	40.267%

[11] The total attendance is 755,730,276 shares, of which 1,438,274 belongs to the Company's treasury shares, and therefore 754,292,002 shares were represented by those attending the General Shareholders' Meeting.
[12] Also includes telematic attendance.

Right to information

Information and documentation on corporate governance and on the most recent general meetings are available on Repsol's corporate website (www.repsol.com), under the 'Shareholders and Investors - Corporate Governance' section, through the following links:

https://www.repsol.com/en/shareholders-and-investors/corporate-governance/index.cshtml

https://www.repsol.com/en/shareholders-and-investors/corporate-governance/annual-general-meeting/index.cshtml

At the Annual General Meeting held on May 8, 2020, the Chairman and the Chief Executive Officer notified shareholders, among other matters, of the following: (i) the Company's situation in view of the current health crisis caused by COVID-19 and the State of Alarm declaration in Spain; (ii) the macroeconomic environment, (iii) results and performance, (iv) the 2020 Resilience Plan, and (v) the strategic overview.

It should also be noted that the Company continued to bring its procedures and internal regulations into line with the recommendations of the Good Governance Code approved by the CNMV and that, to said date, the Company had complied with all the recommendations applicable to it. All proposals on the agenda of the 2020 Meeting were approved by an ample majority of shareholders. The voting results for each of the resolutions are indicated below:

Results of the vote on the proposed resolutions for the items on the agenda

Resolutions	Number of shares		% of share capital in attendance
First. Review and approval, if appropriate, of the Annual Financial Statements and Management Report of Repsol, S.A. and the Consolidated Annual Financial Statements and Consolidated Management Report, for fiscal year ended 31 December 2019.	For	751,563,294	99.639 %
	Against	1,906,125	0.253 %
	Abstained	814,492	0.108 %
Second. Review and approval, if appropriate, of the Statement of Non-Financial Information for fiscal year ended 31 December 2019.	For	752,648,316	99.783 %
	Against	414,721	0.055 %
	Abstained	1,220,874	0.162 %
Third. Review and approval, if appropriate, of the proposal for the allocation of results in 2019.	For	753,858,795	99.944 %
	Against	286,794	0.038 %
	Abstained	138,322	0.018 %
Fourth. Examination and approval, if appropriate, of the creation of the "voluntary reserves not arising from profits" account by recognising an initial charge to the "share premium" account, and transfer of the balance of the "reserves for the transition to the 2007 Spanish General Accounting Plan" account to the "voluntary reserves" account.	For	748,783,908	99.271 %
	Against	5,358,081	0.710 %
	Abstained	141,922	0.019 %
Fifth. Review and approval, if appropriate, of the management of the Board of Directors of Repsol, S.A. during 2019.	For	721,007,212	95.588 %
	Against	26,440,730	3.505 %
	Abstained	6,835,969	0.906 %

Sixth. Increase of share capital in an amount determinable pursuant to the terms of the resolution, by issuing new common shares having a par value of one (1) euro each, of the same class and series as those currently in circulation, charged to reserves, offering the shareholders the possibility of selling the free-of-charge allocation rights to the Company itself or on the market. Delegation of authority to the Board of Directors or, by delegation, to the Delegate Committee or the CEO, to fix the date the increase is to be implemented and the terms of the increase in all respects not provided for by the General Meeting, all in accordance with article 297.1.(a) of the Companies Act. Application for official listing of the newly issued shares on the Madrid, Barcelona, Bilbao and Valencia stock exchanges through the Spanish Automated Quotation System (*Sistema de Interconexión Bursátil*), as well as on any other stock exchanges or securities markets where the Company´s shares are or could be listing.	For	747,625,248	99.117 %
	Against	6,539,875	0.867 %
	Abstained	118,788	0.016 %
Seventh. Second capital increase in an amount determinable pursuant to the terms of the resolution, by issuing new common shares having a par value of one (1) euro each, of the same class and series as those currently in circulation, charged to reserves, offering the shareholders the possibility of selling the free-of-charge allocation rights to the Company itself or on the market. Delegation of authority to the Board of Directors or, by delegation, to the Delegate Committee or the CEO, to fix the date the increase is to be implemented and the terms of the increase in all respects not provided for by the General Meeting, all in accordance with article 297.1.(a) of the Companies Act. Application for official listing of the newly issued shares on the Madrid, Barcelona, Bilbao and Valencia stock exchanges through the Automated Quotation System (Sistema de Interconexión Bursátil), as well as on any other stock exchanges or securities markets where the Company´s shares are or could be listing.	For	747,609,410	99.115 %
	Against	6,556,119	0.869 %
	Abstained	118,382	0.016 %
Eight. Approval of a reduction of share capital for an amount to be determined in accordance with the resolution, through the cancellation of the Company's own shares. Delegation of powers to the Board of Directors or, as its replacement, to the Delegate Committee or the CEO, to set the other terms for the reduction in relation to everything not determined by the General Meeting, including, among other matters, the powers to redraft articles 5 and 6 of the Company's Articles of Association, relating to share capital and shares respectively, and to request the delisting and cancellation of the accounting records of the shares that are being cancelled.	For	747,176,625	99.058 %
	Against	7,026,030	0.931 %
	Abstained	81,256	0.011 %
Nine. Approval of three new additional cycles of the Beneficiaries' Share Purchase Plan of the Long-Term Incentives Programmes.	For	743,260,147	98.539 %
	Against	10,893,357	1.444 %
	Abstained	130,407	0.017 %
Ten. Approval of a new Long-Term Incentive Program.	For	726,954,586	96.377 %
	Against	25,383,440	3.365 %
	Abstained	1,945,885	0.258 %
Eleven. Advisory vote on the Repsol, S.A. Annual Report on Directors´ Remuneration for 2019.	For	675,553,495	89.562 %
	Against	76,844,511	10.188 %
	Abstained	1,885,905	0.250 %
Twelve. Delegation of powers to interpret, supplement, develop, execute, rectify and formalize the resolutions adopted by the General Shareholders’ Meeting.	For	752,343,564	99.743 %
	Against	101,011	0.013 %
	Abstained	1,839,336	0.244 %

3. Repsol's governance body

3.1. Composition of the Board of Directors

As established in the Company Bylaws, the Board of Directors must be formed by a maximum of sixteen (16) and a minimum of nine (9) Directors. The Annual General Meeting held on 31 May 2019 approved the number of members of the Board of Directors at fifteen (15).

The composition of the Board of Directors at December 31, 2020 is shown in the table below:

Director	Profile	Committees	First appointment	Last appointment	Selection procedure	Date of birth
Mr. Antonio Brufau Niubó	Chairman - Other Non-Executive	P	23/07/1996	31/05/2019	General Shareholders Meeting Resolution	12/03/1948
Mr. Josu Jon Imaz San Miguel	Chief Executive Officer - Executive		30/04/2014	31/05/2019	General Shareholders Meeting Resolution	06/09/1963
Mr. Manuel Manrique Cecilia	Deputy Chairman - Proprietary Non-Executive		25/04/2013	19/05/2017	General Shareholders Meeting Resolution	01/01/1954
Ms. Maite Ballester Fornés	Director - Independent Non-Executive		19/05/2017	19/05/2017	General Shareholders Meeting Resolution	13/05/1963
Mr. Rene Dahan	Director - Independent Non-Executive		31/05/2013	22/07/2020	Cooptation	26/08/1941
Ms. Arantza Estefanía Larrañaga	Director - Independent Non-Executive		31/05/2019	31/05/2019	General Shareholders Meeting Resolution	09/05/1963
Ms. Carmina Ganyet i Cirera	Director - Independent Non-Executive	P P	11/05/2018	11/05/2018	General Shareholders Meeting Resolution	08/04/1968
Ms. Teresa García-Milá Lloveras	Director - Independent Non-Executive		31/05/2019	31/05/2019	General Shareholders Meeting Resolution	05/07/1955
Mr. José Manuel Loureda Mantiñán	Director - Proprietary Non-Executive		31/01/2007	31/05/2019	General Shareholders Meeting Resolution	20/06/1939
Mr. Ignacio Martín San Vicente	Director - Independent Non-Executive		11/05/2018	11/05/2018	General Shareholders Meeting Resolution	04/05/1955
Mr. Mariano Marzo Carpio	Director - Independent Non-Executive [13]	P	19/05/2017	19/05/2017	General Shareholders Meeting Resolution	08/09/1951
Mr. Henri Philippe Reichstul	Director - Other Non-Executive		30/10/2018	31/05/2019	General Shareholders Meeting Resolution	12/04/1949
Mr. J. Robinson West	Director - Independent Non-Executive		28/01/2015	31/05/2019	General Shareholders Meeting Resolution	16/09/1946
Ms. Isabel Torremocha Ferrezuelo	Director - Independent Non-Executive	P	19/05/2017	19/05/2017	General Shareholders Meeting Resolution	25/01/1964
Mr. Luis Suárez de Lezo Mantilla	Director Secretary - Other Non-Executive		02/02/2005	19/05/2017	General Shareholders Meeting Resolution	25/01/1951

Committees of the Board of Directors

- Delegate Committee
- Audit and Control Committee
- Appointments Committee
- Remuneration Committee
- Sustainability Committee
- C Chairman of the Committee

[13] Mr. Mariano Marzo was appointed as Lead Indpendent Director by the Board of Director son this meeting held on March 27th 2018.

Resignations from the Board of Directors in 2020

On July 22, 2020, the Board of Directors acknowledged the letter sent by Mr. Dahan to the members of the Board in which he communicated his resignation as Director, due to the fact that Temasek Holdings (Private) Limited, the shareholder he represented, transferred its entire shareholding in the Company, pursuant to the provisions of Article 16.2 of its Regulations and Recommendation 24 of the Company's Code of Good Governance. On the same day, the Board of Directors agreed to ratify his appointment by co-optation and re-election as Independent External Director.

ANTONIO BRUFAU NIUBÓ

CHAIRMAN OF THE BOARD OF DIRECTORS
Other Non-Executive

Director of Repsol by resolution of the Board of Directors since 23 July 1996, subsequently ratified by the General Shareholders Meeting of 6 June 1997 and re-elected by the General Shareholders Meeting on 24 March 1999, 4 April 2003, 9 May 2007, 15 April 2011, 30 April 2015 and 31 May 2019.

Antonio Brufau Niubó has been Chairman of Repsol since 2004.

Education: Bachelor's degree in Economic Sciences from the Universidad de Barcelona. Honorary Doctorate from the Universidad Ramón Llull de Barcelona.

Experience: He commenced his professional career at Arthur Andersen, where he became Audit Director and Partner. In 1998, he joined the "La Caixa" Group as Deputy Chief Executive Officer, occupying the position of Chief Executive Officer between 1999 and 2004. He was also Chairman of the Gas Natural Group between 1997 and 2004. His broad experience in the business world and his knowledge of the energy sector have allowed him to lead the Repsol's transformation process, today consolidated as a global multi-energy company, leading the transition to a more sustainable energy model and becoming the first company in its sector to commit to zero net emissions by 2050.

Other relevant positions: Antonio Brufau is a member of the Business Action Council of the Spanish Confederation of Business Organisations (CEOE), member of the Spanish Executives Association and the Círculo de Economía business organisation, trustee of the private foundation Instituto Ildefons Cerdà, trustee of Spanish Confederation of Directors and Executives (CEDE), trustee of the Real Instituto Elcano think tank, trustee of the Foundation for Energy and Environmental Sustainability (FUNSEAM), trustee of COTEC (Foundation for Technological Innovation) and trustee of the Fundación Princesa de Girona. He is also the Chairman of Fundación Repsol.

Board committees to which he belongs: Chairman of the Delegate Committee.

JOSU JON IMAZ SAN MIGUEL

CHIEF EXECUTIVE OFFICER
Executive

Josu Jon Imaz was appointed CEO of Repsol following Board resolution dated 30 April 2014 and subsequently ratified and re-elected by the General Shareholders Meeting on 30 April 2015 and 31 May 2019.

Education: Josu Jon Imaz has a PhD in Chemical Sciences from the Universidad del País Vasco. He graduated from the Faculty of Chemical Sciences of San Sebastián winning the Award for Excellence in Academic Career. He was also a visiting researcher at the Harvard Kennedy School in the United States.

Experience: Josu Jon Imaz commenced his professional career in research — he was sent by the INASMET Research Centre to the French technological centre CETIM, in Nantes — and the promotion of industrial (Mondragón Group) and business projects connected to the world of energy. He also held various political responsibilities, notably including the Basque Country Department of Industry, Trade and Tourism in 1999 and the Executive Presidency of the Basque Nationalist Party, EAJ-PNV. He joined Repsol as Chairman of its subsidiary Petronor in 2008, where he successfully managed the challenges of modernisation, sustainability and environmental relations. From 2010, he combined this position with that of Director of New Energies. In 2012, he joined Repsol's Management Committee and was appointed General Manager of the Industrial and New Energies Area, responsible, among other functions, for coordinating the activities of all the industrial complexes. He was also Vice-Chairman of Gas Natural SDG, S.A. from September 2016 to February 2018. Since he was appointed CEO in 2014, he has led the Company's transformation process, today consolidated as a global multi-energy company, a major player in the electricity and gas market in Spain, leading the development of sustainable mobility solutions and operating one of the most efficient refining systems in Europe. Under his management, Repsol has accelerated the decarbonization process of its assets, becoming one of the leaders of the energy transition in Spain and the first company in its sector to commit to zero net emissions by 2050.

Other relevant positions: Member of Repsol's Executive Committee and trustee of Fundación Repsol.

Board committees to which he belongs: Member of the Delegate Committee.

MANUEL MANRIQUE CECILIA

DEPUTY CHARIMAN

Proprietary Non-Executive (proposed by Sacyr S.A.)

Mr. Manrique was appointed Director of Repsol following Board resolution dated 25 April 2013 and subsequently ratified and appointed by the General Shareholders Meeting on 31 May 2013 and re-elected by the General Shareholders Meeting on 19 May 2017.

Education: Mr. Manrique has a bachelor's degree in Roads, Canals and Ports Engineering from the Escuela Técnica Superior de Madrid.

Experience: He commenced his professional career at Ferrovial. In 1987, he was part of the founding core of Sacyr, becoming its International Officer in the late-90s and Construction General Manager in 2001. In 2003, coinciding with the merger of Sacyr and Vallehermoso, Mr. Manrique was appointed Chairman and CEO of the construction division and Board member of the parent company of the new Sacyr Vallehermoso Group. In November 2004, he was appointed First Vice-Chairman and CEO of Sacyr Vallehermoso, S.A. and a member of the Group's Executive Committee. Since October 2011, Mr. Manrique has also occupied the position of Chairman of the Board of Sacyr, S.A. (previously Sacyr Vallehermoso, S.A.). He has over 35 years' professional experience in the sectors of construction, infrastructure concessions, services, equity, development and energy.

Other relevant positions: Director of other companies of the Sacyr Group and Chairman of the Sacyr Foundation.

Board committees to which he belongs: Member of the Delegate Committee.

MAITE BALLESTER FORNÉS

Independent Non-Executive

Ms. Ballester was appointed Director of Repsol by the General Shareholders Meeting of 19 May 2017.

Education: She graduated cum laude in Finance and Political Sciences from Boston College and holds an MBA from Columbia University in New York.

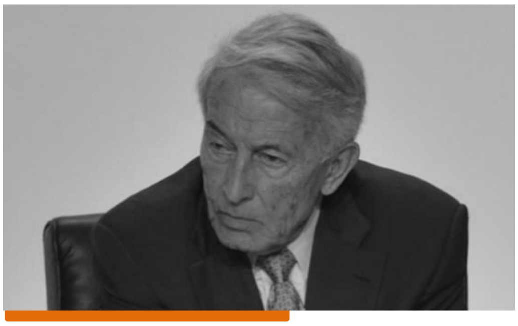
Experience: She commenced her professional career at GTE Corporation (Verizon) in the United States as a financial executive, subsequently joining Booz, Allen & Hamilton as a strategy consultant for important multinationals in Mexico, the United Kingdom, Spain and Portugal.

She has been CEO of 3i in Spain, where she gained broad experience in the private equity sector at international level, leading multiple investment transactions and divestments and participating in the institutional investors acquisition process for global funds promoted by 3i. She has also led numerous refinancing processes and several IPOs, and she has great experience on boards of different companies, both listed and unlisted.

From 2014 until January 2017, Ms. Ballester rendered services to EY as external adviser of the Transaction Services (TAS) division, to support the firm's positioning in private equity services. She also was President of the Spanish Association of Venture Capital Entities (ASCRI) from 2010 until 2012.

Other relevant positions: She is currently a Director of Promotora de Informaciones, S.A. (PRISA), Prisa Radio, S.A. and member of its Audit Committee, member of the Instituto de Consejeros y Administradores (ICA), Women Corporate Directors (WCD) and the International Women's Forum (IWF), and she frequently speaks at business schools and professional associations. Furthermore, she is founder and Managing Partner of the private equity fund Nexxus Iberia I.

Board committees to which she belongs: Member of the Audit and Control Committee and member of the Compensation Committee.



RENE DAHAN

Independent Non-Executive

Mr. Dahan was appointed Director of Repsol by resolution of the General Shareholders Meeting on 31 May 2013 and re-elected by the General Shareholders Meeting on 19 May 2017.

Experience: Mr. Dahan has been a Director and Executive Vice-Chairman of ExxonMobil. He commenced his professional career at Exxon in the Rotterdam refinery in 1964. Having occupied several positions in the transactions, engineering and human resources areas, he was appointed head of the 325 kbd Rotterdam refinery. In 1976, he moved to Exxon's central European offices where he was responsible for Exxon's natural gas activity in Europe. After a brief period in Exxon's offices in New York, he was appointed CEO of Esso BV, the subsidiary of the company responsible for all the upstream and downstream activity in Belgium, the Netherlands and Luxembourg. He moved to New Jersey (United States) in 1990 and, in 1992, he was appointed Chairman of Exxon Company International, responsible for all Exxon's business in North America. In 1998, he became a member of the Management Committee and Director of Exxon in Dallas, responsible for the whole downstream and chemicals business at global level. In 1999, he led the merger between Exxon and Mobil and was appointed Executive Vice-Chairman of ExxonMobil until his retirement in 2002.

Between 2002 and 2009, he occupied the position of Director on the Supervisory Boards of VNU N.V., TNT N.V. and Aegon N.V., as well as those of CVC (venture capital) and the Guggenheim Group in New York. On 1 October 2013, he resigned from his position as Chairman of the Supervisory Board of Royal Ahold N.V., a position he had held for 10 years.

Other relevant positions: He is a member of the International Advisory Board of the Instituto de Empresa in Madrid and Chairman of the Dahan Family Foundation. He has been Chairman of the Supervisory Board of the Dutch company NRGV Retail Nederland B.V. since 1 January 2016.

Board committees to which he belongs: Member of the Delegate Committee.

ARANTZA ESTEFANÍA LARRAÑAGA

Independent Non-Executive

Ms. Estefanía was appointed Director of Repsol by the General Shareholders Meeting of 31 May 2019.

Education: She graduated in Law with First Class Honours at the Universidad de Deusto winning the Award for Excellence in Academic Career.

Experience: From its foundation in 2000 until January 2019, she was Managing Partner of Uría Menéndez Abogados, S.L.P. in Bilbao. During those years, she performed various roles at the firm, notably including that of Director of the Practical Area of Procedural, Public, Arbitration and Criminal Law. Furthermore, she has been a member of Uría Menéndez's Board of Directors, Professional Practice Management Committee and Criminal Risk Prevention Committee.

She has earned recognised standing in the area of Commercial Law. She has been Secretary of the Board of Directors of several trading companies and entities and she is currently Secretary of the Board of Bilbao Exhibition Centre, S.A. On several occasions, she has been appointed as an Arbitrator by the Court of Arbitration of the Bilbao Chamber of Commerce to resolve commercial conflicts. Over more than thirty years, she has gained vast experience in the area of compliance and criminal risk prevention, as well as environment and security. In recent years, Ms. Estefanía has given multiple lectures with respect to the criminal liability and compliance of legal persons and she has also authored several publications.

Since 2013, Ms. Estefanía has been constantly recognised on an annual basis by Best Lawyer in Spain as leading lawyer in the practices of arbitration and mediation and as lawyer of the year in the procedural area. She also has teaching experience as adjunct lecturer of the Civil law Department of the Universidad de Deusto.

Other relevant positions: Since May 2019, she has formed part of the group of experts of the Basque Country Economic and Social Council, the advisory body of the Basque Government and Parliament, chairing that body's Economic Commission from December 2019. She is also an Independent Director at CIE Automotive, S.A. and at Global Dominion Access, S.A.

Board committees to which she belongs: Member of the Appointments Committee and member of the Sustainability Committee.

CARMINA GANYET I CIRERA

Independent Non-Executive

Ms. Ganyet was appointed Director of Repsol by the General Shareholders Meeting of 11 May 2018.

Education: Ms. Ganyet is an Economic Sciences and Business Administration graduate from the Universitat Autònoma de Barcelona. Furthermore, she has completed postgraduate studies at ESADE business school.

Experience: She is a specialist in "Corporate Finance" and capital markets. She commenced her professional career at Arthur Andersen. In 1995, she was appointed head of Investment and Management Control of the Financial, Property and Insurance Group of Caixa Holding (currently Criteria). In 1999, she led Colonial's IPO and, in 2000, she was appointed CFO, joining its Management Committee. In January 2009, she was appointed Corporate General Manager. She is also member of its ESG Committee. During these years, she has led the international extension through the takeover bid for Société Foncière Lyonnaise (property company listed on the Paris stock exchange) and has led the financial restructuring of Colonial and executed several corporate transactions consolidating Colonial as one of the largest and leading pan-European office property companies. Moreover, Ms. Ganyet has teaching experience as a lecturer in the Faculty of Business Administration of the Universitat Ramon Llull.

Other relevant positions: She is currently Corporate General Manager of Inmobiliaria Colonial and is part of its Management Committee and a Board member of Société Foncière Lyonnaise. She is a member of the Management Board of the Círculo de Economía business organisation, member of the Board of Trustees of Universidad Ramon Llull, member of the Ethos Ramon Llull Ethics and Business Council, member of the ULI Barcelona Council, member of the Management Board of ESADE Alumni and Vice President of the Barcelona Global Organisation. She has been an independent director of ICF (Instituto Catalán de Finanzas) and SegurCaixa Adeslas, and director of SIIC de Paris representing controlling shareholders. Moreover, she has won several awards and recognitions in her professional career.

Board committees to which she belongs: Chairwoman of the Nomination Committee, Chairwoman of the Compensation Committee and member of the Audit and Control Committee.

TERESA GARCÍA-MILÁ LLOVERAS

Independent Non-Executive

Ms. García-Milá was appointed Director of Repsol by the General Shareholders Meeting of 31 May 2019.

Education: Ms. García-Milá has a bachelor's degree in Economic Sciences from the Universidad de Barcelona and a PhD in Economics from the University of Minnesota.

Experience: She commenced her professional career as interim tenured lecturer at the Department of Economics of the State University of New York and later at the Department of Economics of the Universitat Autònoma de Barcelona (UAB). She has been a tenured lecturer and is currently a professor at the Department of Economics and Business of the Universidad Pompeu Fabra in Barcelona, where she has occupied several academic roles: Dean of the Faculty of Economic and Business Sciences, Vice-Chancellor of Science Policy, and Economics and Business Head of Department. Furthermore, among other positions, she has been a Director of Banco Sabadell, Enagás and Vueling, and Economics Coordinator of the National Assessment and Perspective Agency (ANEP).

Other relevant positions: She is currently Director of the Barcelona Graduate School of Economics and a Professor of the Department of Economics and Business at the Universidad Pompeu Fabra in Barcelona. Ms. García-Mila is an honorary member of the Spanish Economics Association (of which she has been President), member of the Economic Affairs Advisory Board of the Ministry of Economic Affairs and Digital Transformation, member of the Management Board of the "Centre de Recerca en Economía Internacional" (CREI) research centre, and Vice-President of the board of trustees of the Institute for Political Economy and Governance (IPEG). Ms. García-Mila is a regular speaker at workshops and conferences and has authored numerous publications on economic matters. She has received distinctions such as the "Distinguished Member" of the Catalonia Association of Economists and the "Narcís Monturiol" Medal of the Regional Government of Catalonia.

Board committees to which she belongs: Member of the Audit and Control Committee and member of the Nomination Committee.

JOSÉ MANUEL LOUREDA MANTIÑÁN

Proprietary Non-Executive (proposed by Sacyr S.A.)

Mr. Loureda was appointed Director of Repsol following Board resolution dated 31 January 2007 and subsequently ratified and appointed by the General Shareholders Meeting on 9 May 2007 and re-elected by the General Shareholders Meeting on 15 April 2011 on 30 April 2015 and 31 May 2019.

Education: Loureda has a bachelor's degree and a PhD in Roads, Canals and Ports Engineering.

Experience: He commenced his professional career at Ferrovial in 1965, where he occupied several positions. He was a founder of Sacyr, where he was CEO until 2000 and Chairman until 2004. From 2003 to 2004, and after Sacyr's merger with Vallehermoso, he was Chairman of the Sacyr Vallehermoso Group.

Other relevant positions: He is currently a Director of Sacyr, S.A. (representing Prilou, S.L.), Chairman of Sacyr Servicios, S.A.U. and Director of Sacyr Construcciones, S.A.U.

Board committees to which he belongs: Member of the Compensation Committee and member of the Sustainability Committee.

IGNACIO MARTÍN SAN VICENTE

Independent Non-Executive

Mr. Martín was appointed Director of Repsol by the General Shareholders Meeting of 11 May 2018.

Education: Mr. Martín holds a degree in Industrial Electrical Engineering from the University of Navarra.

Experience: He has developed his professional career in several companies, mainly in the industrial sector, such as GKN Automotive International, where he has exercised the positions of Chief Executive Officer, member of the global Executive Committee and CEO, the latter in the United States.

Mr. Martín has also been Deputy Chief Executive Officer and Vice-Chairman of Alcatel España and, after his return to the GKN Driveline Group, in 1999, he was appointed General Manager for Europe, which was GKN's most important region.

In 2001, he joined the GSB Group as Executive Vice-President, where he led the merger with Corporación Industrial Egaña, giving rise to CIE Automotive, where he performed the role of CEO until 2012, when he joined Gamesa as Chairman and CEO, until its merger with Siemens Wind Power in May 2017.

Other relevant positions: He currently occupies the position of Director at Bankoa-Credit Agricole, Indra Sistemas, S.A. and Acerinox, S.A.

Board committees to which he belongs: Member of the Delegate Committee.

MARIANO MARZO CARPIO

LEAD INDEPENDENT DIRECTOR

Independent Non-Executive

Mr. Marzo was appointed Director of Repsol by the General Shareholders Meeting of 19 May 2017.

Education: Bachelor's degree in Geology from the Universidad de Barcelona; PhD in Geological Sciences from the Universidad de Barcelona.

Experience: Mr. Marzo has worked in Europe, the United States, South America, the Middle East and North Africa and is a member of the American Association of Petroleum Geologists and the European Association of Petroleum Geoscientists & Engineers.

Furthermore, Mr. Marzo has participated in several advisory boards on energy matters of the central and autonomous community administrations, as well as other institutions, and he has maintained a continuous connection with the oil and gas industry, through the research applied to the exploration sector and the sedimentological characterization of fields. Mr. Marzo has also formed part of the editorial boards of journals of great international prestige in the field of geology, such as Basin Research, Geology and Sedimentology, and he has published numerous works and worked vastly as a lecturer. His educational activity was rewarded with the "Distinction of the Universidad de Barcelona for the Best Scientific and Humanist Education Activities" in 2014.

Other relevant positions: Since 1989, Mr. Marzo has been a Professor of Stratigraphy and Lecturer of Energy Resources and Fossil Fuel Geology in the Faculty of Earth Sciences of the Universidad de Barcelona (Department of Earth and Ocean Dynamics), where he has developed his teaching career as a researcher, academic, columnist and lecturer. Since 2019, he is Director of the Chair in "Energy Transition University of Barcelona-Repsol Foundation". Likewise, he is a member of the Advisory Board of Club Español de la Energía and was Director of Section 4 (Earth Sciences) of the "Reial Acadèmia de Ciències i Arts de Barcelona" where he is currently a numerary member.

Board committees to which he belongs: Chairman of the Sustainability Committee, member of the Appointments Committee and member of the Compensation Committee.

HENRI PHILIPPE REICHSTUL

Other Non-Executive

Mr. Reichstul was appointed Director of Repsol by co-option in accordance with a resolution of the Board meeting held on 30 October 2018, a position he had already held between December 2005 and May 2017 and ratified and re-elected by the General Shareholders Meeting on 31 May 2019.

Education: Mr. Reichstul has a bachelor's degree in Economic Sciences from the São Paulo University and has completed postgraduate studies at Hertford College, Oxford.

Experience: He has been Secretary of the State Companies Budgets Office and Brazil's Vice-Minister for Planning. Between 1988 and 1999, he performed the role of Vice-Chairman and CEO of Banco Inter American Express, S.A. Between 1999 and 2001, he was Chairman of Petrolera Estatal Brasileña Petrobras.

Other relevant positions: He is a member of the Advisory Board of Lhoist do Brasil Ltda., Chairman and Oversight Board member of Fives Group, Board member of LATAM Airlines Group, Board member of TAM Linhas Aéreas and Board member of the Brazilian Foundation for Sustainable Development (FBDS).

Board committees to which he belongs: Member of the Delegate Committee.

ISABEL TORREMOCHA FERREZUELO

Independent Non-Executive

Ms. Torremocha was appointed Director of Repsol by the General Shareholders Meeting of 19 May 2017.

Education: Graduate of Chemical Sciences from the Universidad Autónoma de Madrid. Postgraduate Specialisation in Plastics and Rubber course with the Spanish National Research Council (CSIC), Leadership Programme at ISD Business School, Management Development Programme at IESE Business School and Corporate Finance at IE Business School.

Experience: Ms. Torremocha commenced her professional career at Philips Iberia, joining Andersen Consulting (currently Accenture) in 1991, where she has developed her career in the Telecommunications, Media and High Technology sector. She has been Chief Executive Officer at Accenture and a Board member of Accenture España.

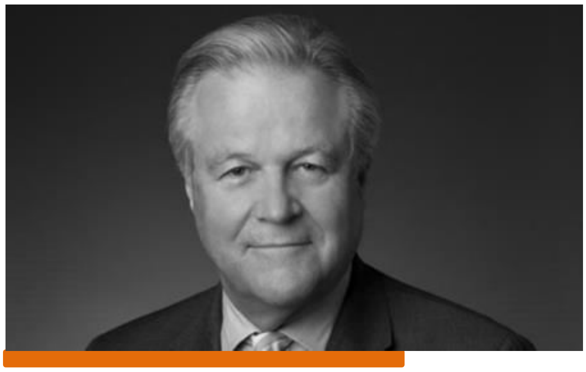
During her latest period at Accenture, working as Transformation Opportunities Director, Ms. Torremocha has led the creation and development of opportunities related to strategic transformations in the areas of information technologies, outsourcing of business processes and digital transformation in Spain, Portugal and Africa.

She has previously performed international roles, the most significant being that of Europe, Africa and Latin America Operations Director, with responsibility for the establishment of the business strategy in these geographic areas.

She has also been responsible for diversity and equality in the Telecommunications, Media and High Technology division of Europe, Africa and Latin America, defining the plans for acceleration of the number of professional women in management positions and in succession plans.

Other relevant positions: She currently occupies the position of Director of Indra Sistemas, S.A. and she is also Trustee and Chairman of the Appointments Committee at the Plan International foundation, a member of the Instituto de Consejeros y Administradores (ICA), member of the Asociación Española de Directivos (AED) and member of the Foro de Foros foundation.

Board committees to which she belongs: Chairwoman of the Audit and Control Committee and member of the Sustainability Committee.



ROBINSON WEST

Independent Non-Executive

Mr. West was appointed Independent Director of Repsol following a Board resolution dated 28 January 2015 and subsequently ratified and re-elected by the General Shareholders Meeting on 30 April 2015 and 31 May 2019.

Education: Mr. West has a bachelor's degree from the university of North Carolina Chapel Hill and a Juris Doctor from Temple University Law School in Philadelphia.

Experience: Mr. West is a recognised international expert in the energy market, particularly in all the areas related to oil and gas. In 1984, he founded PFC Energy, a company of which he was also chairman until 2013. Before founding PFC Energy, he performed senior positions in the government, in several administrations. Therefore, under the government of Ronald Reagan, as Deputy Secretary of the Interior, he developed and implemented the five-year leasing plan of the external United States continental platform, organising the largest non-financial auction in the world for that purpose.

He previously performed senior positions in the government, in several administrations. Therefore, under the government of Ronald Reagan, as Secretary of the Interior, he developed and implemented the five-year leasing plan of the external United States continental platform, organising the largest non-financial auction in the world for that purpose. During the presidency of Gerald Ford, he worked for the White House and as Deputy Secretary of Defense for International Economic Affairs, and he received the Secretary of Defense Medal for Outstanding Civilian Service

Other relevant positions: He currently leads the “Center for Energy Impact” of “The Boston Consulting Group” and is also a member of the National Oil Council, the External Relations Council, Chairman of the German Marshall Fund of the US and Emeritus President of the United States Institute of Peace.

Board committees to which he belongs: Member of the Delegate Committee.

LUIS SUÁREZ DE LEZO MANTILLA

SECRETARY OF THE BOARD OF DIRECTORS

Other Non-Executive

Mr. Luis Suárez de Lezo Mantilla was appointed Director of Repsol following Board resolution dated 2 February 2005 and subsequently ratified and appointed by the General Shareholders Meeting on 31 May 2005 and re-elected by the General Shareholders Meeting on 14 May 2009, 31 May 2013 and 19 May 2017.

Education: Mr. Suárez de Lezo holds a law degree from the Universidad Complutense and is a State Lawyer (on leave). He specializes in Commercial and Administrative Law.

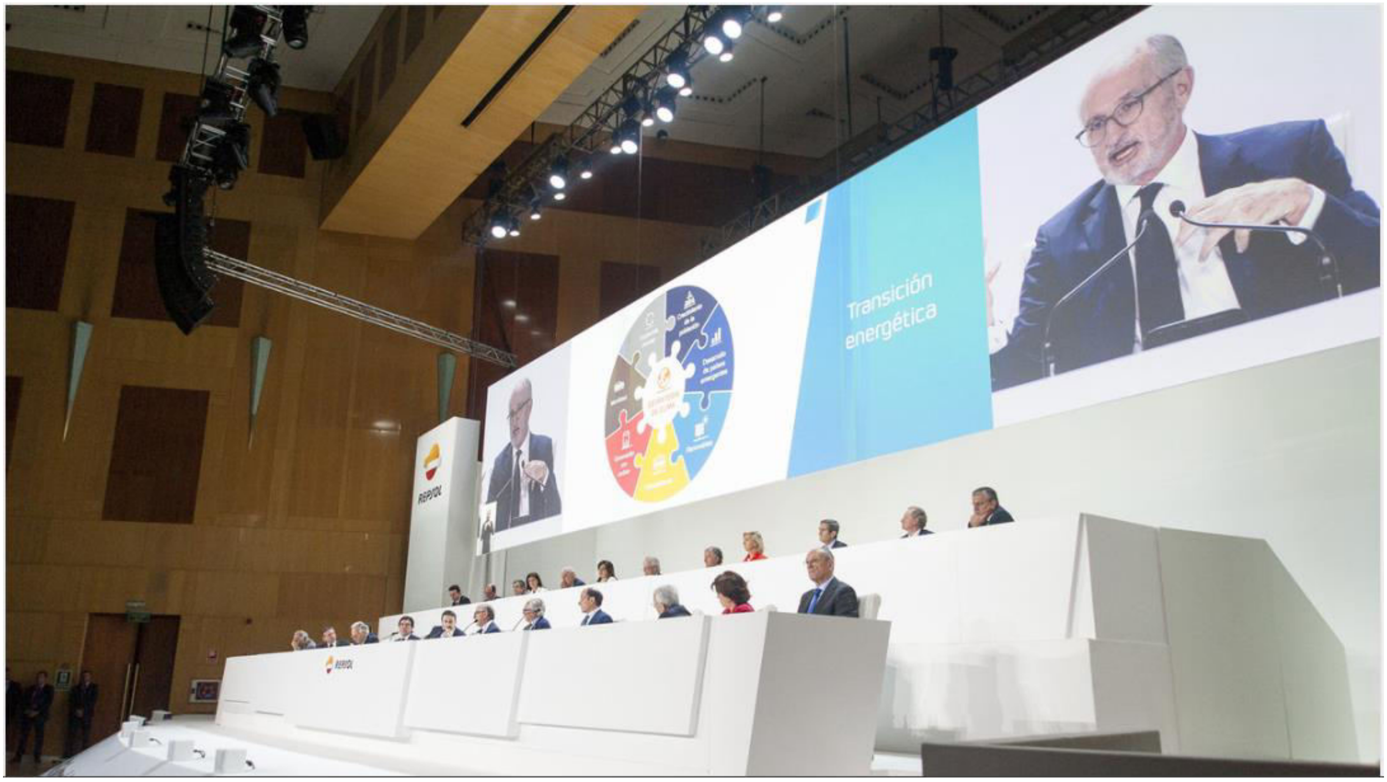
Experience: He was a Director of Legal Matters at Campsa until the end of the oil monopoly and has worked as an independent professional, particularly in the energy sector.

In 2005, he was appointed General Counsel of Repsol, a position he held until December 2019, when his executive duties ended.

Furthermore, Mr. Suárez de Lezo was a member of the Board of Directors of Compañía Logística de Hidrocarburos, CLH, S.A. from 2005 to 2010 and of Naturgy Energy Group, S.A. (previously Gas Natural SDG, S.A.) from 2010 to 2018.

Other relevant positions: He is currently Secretary of the Board of Directors of Repsol, S.A. and Vice-Chairman of Fundación Repsol.

Board committees to which he belongs: Member of the Delegate Committee.



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Presence on other boards

In accordance with the Board of Directors Regulations, the Company's Directors may not hold more than four board mandates in other listed companies other than Repsol[14].

The Directors that in turn are directors or representatives of Directors that are legal entities of other listed companies are indicated below:

Name of director	Name of listed company	Position
Manuel Manrique Cecilia	SACYR, S.A.	Chairman - Chief Executive Officer
Jose Manuel Loureda Mantiñán	SACYR, S.A.	Representative of Prilou, S.L. on the board of Sacyr Vallehermoso, S.A.
Carmina Ganyet i Cirera	SOCIÉTÉ FONCIÈRE LYONNAISE	Director
Ignacio Martín San Vicente	INDRA SISTEMAS, S.A.	Director
	ACERINOX, S.A.	Director
Henri Philippe Reichstul	LATAM AIRLINES GROUP, S.A.	Director
Isabel Torremocha Ferrezuelo	INDRA SISTEMAS, S.A.	Director
Maite Ballester Fornés	PROMOTORA DE INFORMACIONES S.A. (PRISA).	Director
Arantza Estefanía Larrañaga	CIE AUTOMOTIVE, S.A.	Director
Arantza Estefanía Larrañaga	GLOBAL DOMINION ACCESS, S.A.	Director

None of the Company's current Directors assume the position of director, representative of director or executive in other companies of the Group.

[14] Pursuant to Article 18 of the Board of Directors Regulations, and to these effects: (a) all boards of companies that form part of the same group, as well as those board memberships held as proprietary director proposed by any company of this group, will be calculated as a single board mandate; and (b) those board mandates on asset-holding companies or companies that are vehicles or ancillary to exercising the professional services by the Director, their spouse or domestic partner, or their close family members will not be calculated. Exceptionally and due to reasons properly justified, the Board may waive the Director from this prohibition. In addition, the Director must inform the Nomination Committee of any other professional obligations they may have and any material changes in their professional situation, as well as any that may affect the nature or condition by virtue of which they have been appointed Director.

Trend in the presence of women on the Board of Directors

Women's presence on the Council in 2020

33.3%

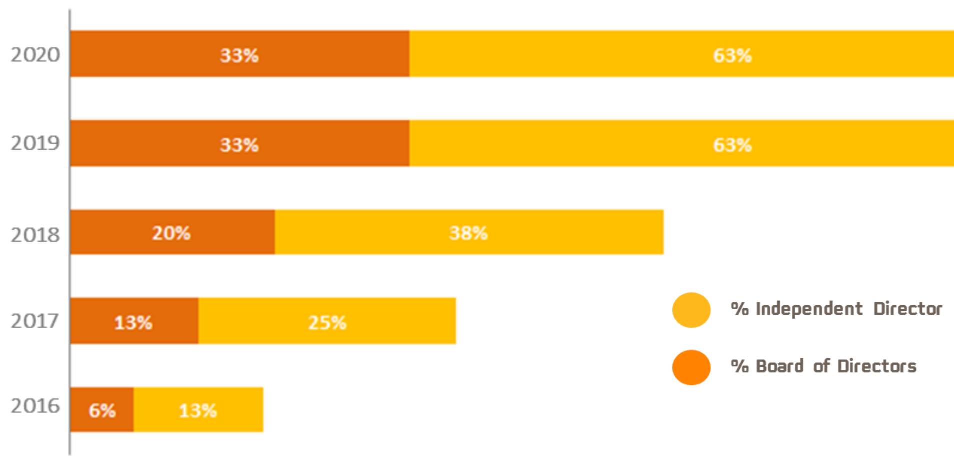
In 2015, the Company set the objective of increasing the presence of women on the Board of Directors to 30% in 2020. To fulfil that objective, in recent years, Repsol has been increasing the number of women on the Board, reaching 20% in 2018 with the appointment of Ms. Carmina Ganyet i Cirera and surpassing 30% in 2019 with the appointment of Ms. Arantza Estefanía Larrañaga and Ms. Teresa García-Milá Lloveras as Independent Directors. Therefore, Repsol stands above the IBEX-35 average in terms of the presence of women on the Board, which at the end of 2019 stood at 27.5% [15]. Notwithstanding the above, in accordance with the new Recommendation 15 of the Good Governance Code, Repsol has adopted the commitment to increase the percentage of women on the Board so that it reaches at least 40% of Board members before the end of 2022 and has reflected this in its Diversity Policy in the composition of the Board of Directors and the Selection of Directors.

The following table reflects the trend in the presence of women on the Board and the Board Committees over the last four years:

	2020		2019		2018		2017	
	Nº	%	Nº	%	Nº	%	Nº	%
Board of Directors	5	33%	5	33%	3	20%	2	12,5%
Delegate Committee	0	-	0	-	0	-	0	-
Audit and Control Committee	4	100%	4	100%	3	60%	2	40%
Nomination Committee	3	75%	3	75%	1	25%	0	-
Compensation Committee	2	50%	2	50%	1	25%	0	-
Sustainability Committee	2	50%	2	50%	0	-	0	-

With regard to the percentage of Independent Non-Executive Directors, the category to which all women that form part of the Board belongs, this figure rose from 12.5% in 2016 to 55.55% in 2020.

Female Directors



[15] According to the information published by the CNMV on July 8, 2020: http://www.cnmv.es/Portal/verDoc.axd?t=%7B8e231ab6-4d7a-4617-98d4-ff41b22aca64%7D

Promoting diversity

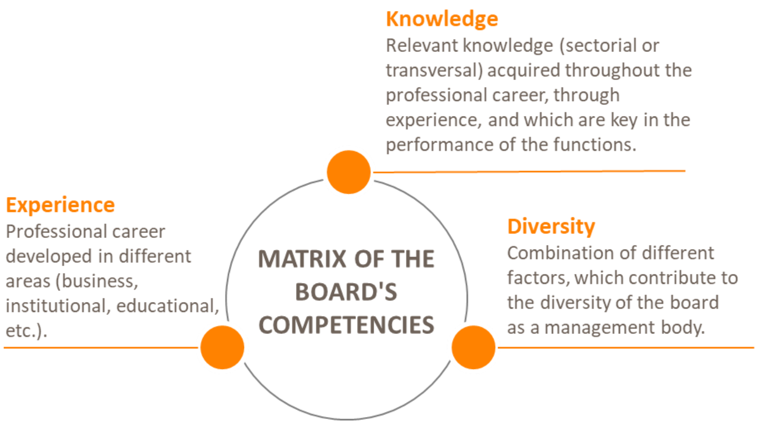
The Company has a Policy on Diversity in the Composition of the Board of Directors and the Selection of Directors, which establishes the diversity criteria, in a broad sense, that must be fulfilled with respect to the composition of the Board of Directors. In accordance with that policy, candidates for Directors must be individuals whose appointment favors the diversity of skills, knowledge, experience, nationalities, age and gender within the Board of Directors, so as to achieve a diverse and balanced composition of the Board as a whole, which enriches decision-making and contributes multiple perspectives to the discussion of the matters within its competence.

Moreover, the Board Regulations expressly grant the Nomination Committee the function of ensuring, when filling new vacancies or appointing new Directors, that there is no implicit bias in the selection procedures that may entail any discrimination, and women who meet the sought professional profile are deliberately looked for and included within the potential candidates, reporting to the Board on the initiatives adopted in this regard and their results.

Furthermore, article 32 of the Articles of Association establishes that the General Meeting and the Board of Directors, using its power of proposal to the General Meeting and of co-option to cover vacancies, will ensure that professional, knowledge, experience, nationality and gender diversity policies are applied in relation to the composition of the Board of Directors.

The Nomination Committee is responsible for ensuring that the Board Member selection procedures are free from any implicit bias that may imply any kind of gender, ethnic origin, age or disability discrimination, among others, and shall always ensure that potential candidates for Board Members include women who meet the professional profile being sought. In this way, the number of female Board Members shall represent at least 40% of the total number of members of the Board of Directors by the end of 2022. The Nomination Committee also draws up a matrix of the Board's competencies, which is updated annually.

Moreover, Repsol's Global Sustainability Plan establishes a series of specific objectives and challenges for 2021, based around core points of the Sustainability model: climate change, people, safe operation, innovation and technology, and ethics and transparency.



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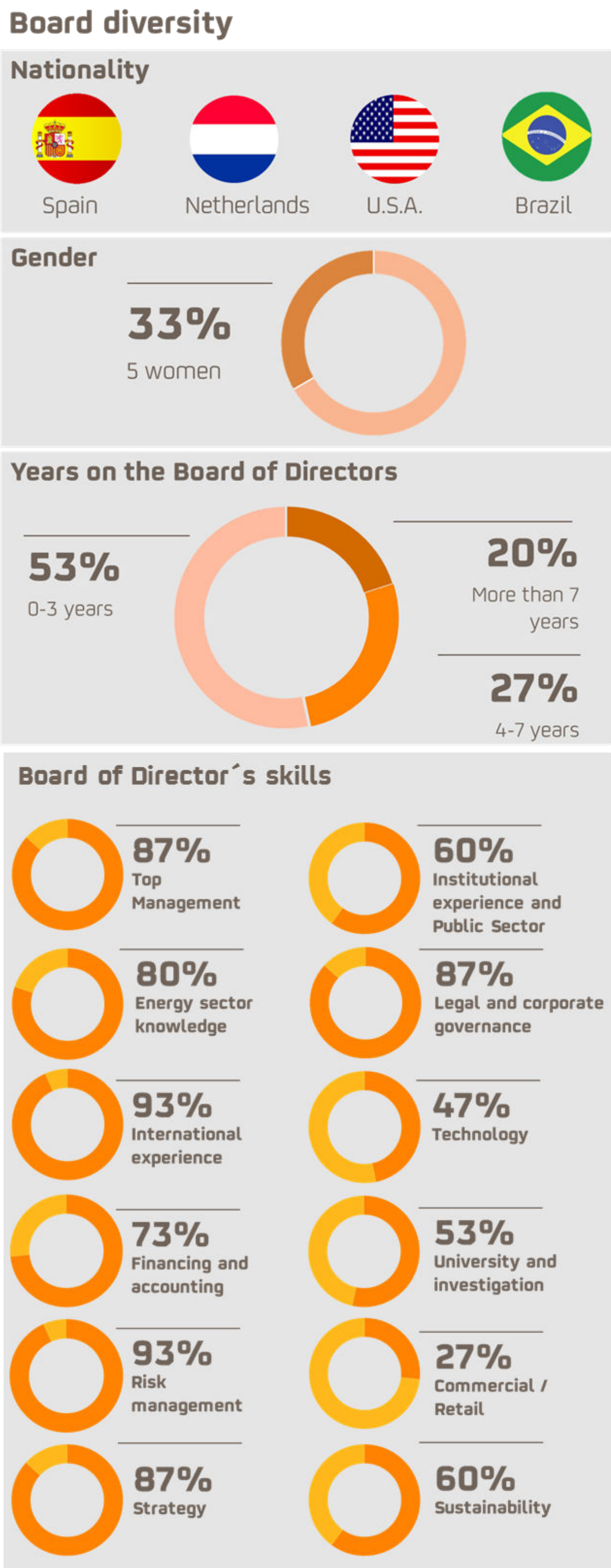


Policy on Diversity in the Composition of the Board of Directors and the Selection of Board Members

The Board of Directors, at its meeting held on February 17, 2021, approved the modification of the Policy on Diversity in the Composition of the Board of Directors and the Selection of Board Members in order to align it with the requirements of Article 529 bis of the Capital Companies Act - and recommendations 14 and 15 of the CNMV's Code of Good Governance for Listed Companies published on June 26, 2020. In compliance with the principles contained in the Policy on Diversity in the Composition of the Board of Directors and the Selection of Board Members, the Nomination Committee has carried out throughout the year analysis of the structure, size and composition of the Board of Directors, as well as the skills, knowledge and experience required on the Board.

In 2020, the Board of Directors did not have any vacancy as such. However, on July 22, upon the transfer by Temasek Holdings (Private) Limited of its entire shareholding in Repsol, Mr. Dahan resigned as an Proprietary Non-Executive Director, and the Board of Directors agreed to his re-election and reclassification as an "Independent Non-Executive Director" on the same date.

Director selection process

The director selection process is governed by the Policy on Diversity in the Composition of the Board of Directors and Selection of Directors, approved by the Board on December 16, 2015[16] and amended on February 17, 2021.

Selection and appointment process

1. Assessment and selection of candidates

The Nomination Committee is the body in charge of assessing the knowledge, expertise and experience required on the Board, determining the duties and skills required of the candidates who are to fill each vacancy and assessing the time and dedication necessary for them to perform their duties adequately.

2. Appointment of Directors

Board members are appointed by the General Meeting, without prejudice to the right of the Board to nominate shareholders by co-optation to fill any vacancies that arise, up to the next General Meeting.

The proposals for the appointment, ratification or re-election of Directors that are submitted at the General Meeting, as well as appointments by the co-optation, will be approved by the Board: (i) upon proposal by the Nomination Committee in the case of Independent Directors, or (ii) subject to a report by the Nomination Committee in the case of other Directors.

Within its powers to submit proposals at the General Meeting or appointment by co-optation, the Board may not propose as candidates or appoint as Directors any persons affected by any of the incompatibilities or prohibitions established by law, the Company Bylaws or regulations or any persons, companies or entities with a permanent conflict of interests with the Company, including its competitors or their directors, executives or employees, or any persons related to or proposed by them.

In order to be considered for appointment, candidates must have recognized prestige and sufficient professional experience and expertise to perform their duties, in addition to meeting the requirements stipulated for the position by law and the Company Bylaws.

Furthermore, those persons indicated in Article 13.2 of the Board of Directors Regulations may not be nominated or appointed as Independent Directors. A Director who holds a stake in the Company may be appointed as an Independent Director, provided they meet all the conditions established in the Board of Directors Regulations and inapplicable legislation, and they do not hold a significant interest.

For the purpose of assessing the independence of the Directors, the Appointments Committee takes into account the provisions of the Corporate Enterprises Act, the Good Governance Code for Listed Companies, internal regulations (Director Selection Policy and Article 13.2 of the Board of Directors Regulations), and the policies of the most significant shareholders and proxy advisors, and verifies that Independent Directors do not have any significant direct or indirect relationship with Repsol that could interfere with the independent performance of their duties and carries out the necessary materiality tests.

The Company Bylaws and the Board Regulations do not establish any age limit for Directors or set any additional limit regarding the term of office for Independent Directors other than that stipulated in applicable legislation. Likewise, no specific requirements are established to be elected as Chairman of the Board in addition to those established for the selection of Directors.

It should also be noted that in 2020 no Proprietary Directors were appointed at the request of shareholders with a stake of less than 3% in the share capital, and there were no formal requests for a place on the Board from shareholders whose stake is equal to or greater than that of others that had been appointed Proprietary Directors.

3. Re-election of Directors

Directors will hold office for a maximum of four years, after which they will be eligible for re-election for one or several periods of equal duration. Directors appointed by co-optation will hold office until the next General Meeting following their appointment, at which their appointment will be subject to ratification.

The Nomination Committee is responsible for assessing the quality of their work and dedication of the Directors proposed during their previous term in office.

[16] The Policy on Diversity in the Composition of the Board of Directors and the Selection of Directors is available on the corporate website.

4. Cessation

Directors will stand down from office upon expiry of the term for which they were appointed and in all the other cases where this is required by law, the Company Bylaws and the Board of Directors Regulations.

The Board of Directors will not propose the removal of any Independent Non-Executive Director before the end of the period for which they were appointed, except where just cause is found by the Board, based on a proposal from the Nomination Committee. In particular, such a proposal will be justified if the Director (i) has failed to discharge the duties inherent to their position; (ii) is in any of the situations described in Article 16.2 of the Board of Directors Regulations, which is reproduced in subsection "Resignation of Directors" below; or (iii) falls into any of the circumstances of incompatibility to be considered an Independent Non-Executive Director.

The removal of an Independent Non-Executive Director may also be proposed as a result of takeover bids, mergers or other similar corporate transactions which involve a change in the Company's capital structure, to the extent that such removal is necessary in order to establish a reasonable equilibrium between Proprietary Non-Executive Directors and Independent Non-Executive Directors based on the ratio of capital represented by the former to the rest of the capital.

Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all other members of the Board of Directors.

Resignation of Directors

Directors must tender their resignation to the Board of Directors and, if the Board considers it appropriate, resign in the following cases:

a) When they are involved in any of the situations of incompatibility or prohibition established by law, the Company Bylaws or applicable regulations.

b) When they have been seriously reprimanded by the Nomination Committee or by the Audit and Control Committee for having breached their duties as Directors.

c) When, in the opinion of the Board, based on a report by the Nomination Committee:

   i. Their remaining on the Board could jeopardize the interests of the Company or adversely affect the functioning of the Board or the standing and reputation of the Company; or

   ii. When the reasons for their appointment no longer exist. Directors will find themselves in this position, particularly in the following cases:

      - Proprietary Non-Executive Directors, when the shareholder they represent or who proposed their appointment transfers its entire shareholding. They will also offer their resignation and, should the Board deem fit, step down from the Board, in the corresponding proportion, if the shareholder reduces its shareholding interest to a level requiring a reduction in the number of its Proprietary Non-Executive Directors.

      - Executive Directors, when they cease to hold the executive positions outside the Board with which their appointment as Director is associated.

Article 19 of the Board of Directors Regulations provides that Directors will notify the Board as soon as possible and keep it up to date on any situations in which they may be involved and that could harm the Company's name or reputation, to enable the Board to assess the circumstances, particularly in this regard.

In 2020, no members of the Board of Directors notified the Company that they had been indicted or tried for any of the offences stated in Article 213 of the Corporate Act.

3.2. Competencies of the Board of Directors

The Board of Directors of Repsol met on 11 occasions in 2020[17]. The Board of Directors has not registered any absences of any of its members. Given the situation caused by Covid-19 and the restrictions and recommendations established by the competent authorities regarding the mobility and joining of people, the Board has only held meetings with physical presence in January and February, having held the rest through telematic means.

No. Of Board meetings	11	% of total attendance at meetings	100%
11	No. of meetings with attendance in person or by proxy with specific instructions from all the Directors.	100%	Of attendance in person over total votes during the year.
11	No. of meetings with attendance at least 90% of Directors.	100%	Of votes issued with attendance in person and by proxy with specific instructions over total votes during the year.
0	No. of meetings held without the Chairman.		

Attendance at Board of Directors meetings

Director	In person	By proxy	% of attendance in person in 2020
Antonio Brufau Niubó	11	--	100%
Josu Jon Imaz San Miguel	11	--	100%
Manuel Manrique Cecilia	11	--	100%
Maite Ballester Fornés	11	--	100%
Rene Dahan	11	--	100%
Carmina Ganyet i Cirera	11	--	100%
José Manuel Loureda Mantiñán	11	--	100%
Ignacio Martín San Vicente	11	--	100%
Henri Philippe Reichstul	11	--	100%
Mariano Marzo Carpio	11	--	100%
J. Robinson West	11	--	100%
Luis Suárez de Lezo Mantilla	11	--	100%
Isabel Torremocha Ferrezuelo	11	--	100%
Arantza Estefanía Larrañaga	11	--	100%
Teresa García-Milá Lloveras	11	--	100%

Duties of the Directors

The duties of the Directors are included in the Board of Directors Regulations. Article 17 indicates that Directors must perform their duties with the diligence of an orderly businessman and a loyal representative, working in good faith in the Company's best interest.

Articles 18 to 23 of the Board of Directors Regulations set out the obligations to be met by Directors in accordance with their duties of diligence and loyalty with regard to non-competition, use of information on corporate assets and taking advantage of business opportunities, and the requirements established in respect of related party transactions

[17] On May 8, 2020, the meeting was held by means of the written voting procedure without meeting, as provided for in Article 10.3 of the Regulations of the Board of Directors of Repsol.

between the Company and the Directors, significant shareholders represented on the Board or persons related to them.

Voting procedures

The adoption of resolutions by the Board of Directors requires the vote in favor of the majority of the Directors attending in person or by proxy, except in those cases indicated below.

Matters that require larger majorities other than those stipulated by law

- Amendments to Articles 20 and 23 of the Board of Directors Regulations regarding the obligation of non-competition and related party transactions, respectively, requires the favorable vote of three-quarters of the Board members.
- The favorable vote of two-thirds of the members not involved in a conflict of interest is required to authorize the Directors to provide advisory or representation services to the Company's competitors, subject to a favorable report by the Nomination Committee. The favorable vote of two-thirds of the members not involved in a conflict of interest is also required to waive the conflict of interest incompatibility in respect of a proposal put to the General Meeting or an appointment of candidates or Directors by co-optation.
- The favorable vote of two-thirds of the members not involved in a conflict of interest is also required to authorize the Company's related party transactions with Directors, significant shareholders represented on the Board or persons related to them for an amount exceeding 5% of the Group's assets, in accordance with the most recent consolidated financial statements approved by the General Meeting, in respect of the Company's strategic assets, involving the transfer of significant technology of the Company, intended to establish strategic alliances and which are not mere agreements of action or execution of existing alliances. This is conditional upon the transaction being fair and efficient from the standpoint of the Company's interests, the Appointments Committee having issued a favorable report after obtaining the corresponding report from an independent expert of renowned prestige in the financial community indicating that the related party transaction will be made on reasonable, arm's length terms and if it is considered unadvisable to wait for the next General Meeting to obtain authorization, for reasons of opportunity.

Without prejudice to the Directors' duty to attend the meetings of the bodies they belong to or, failing this, if they are unable for justified reasons to attend the meetings to which they have been called, to issue the appropriate instructions to the director who is to represent them, if any, each Board member may grant a proxy to another member, with no limit on the number of proxies that may be held by any director for attendance of Board meetings, all subject to the provisions of the applicable laws.

Proxies for absent Directors may be granted by any written means, including a letter, telegram, telex, fax or email sent to the Chairman or the Secretary to the Board.

3.3. Activities of the Board of Directors

Repsol's Board of Directors is the holder of the Company's organic representation in charge of directing and managing the businesses and interests of the Company, unless reserved for the General Shareholders Meeting. In particular, the Board of Directors is responsible for approving the Company's strategy and the organization needed to put it into practice; overseeing and ensuring that Management meets the targets set and respects the Company's corporate purpose and interests; approving acquisitions and disposals of assets belonging to the Company or its subsidiaries that, for whatever reason and notwithstanding the involvement of the General Meeting when applicable by law, are considered especially significant.

The specific rules relating to its powers, composition, term of office, the convening of and quorum for meetings, the manner in which resolutions are passed and the distribution of positions on the Board are included in the Company Bylaws (Articles 31 to 36) and in the Board of Directors Regulations.

Main activities in 2020

In 2020 the Board examined, discussed and issued proposals and reports on those matters reserved for its competence, most notably including the following:

- Preparation of Financial Statements and Management Report, both individual and consolidated, for 2019.
- Approval of quarterly financial statements, of the first and third quarter of 2020.
- Approval of the Interim Financial Report corresponding to the first semester 2020, and the annual financial statements of 2019.
- Annual Corporate Governance Report for 2019.
- Annual Remuneration Report 2019.
- Remuneration of Directors for being part of the Board of Directors and Committees, together with the performance of the Executive Directors for their executive functions.
- Approval of the liquidation of the Long Term Incentive 2016-2019. Proposal of Long Term Incentive 2020-2023.
- Call of the AGM 2020, preparation of the proposals for agreements and reports on said proposals and execution of the agreements adopted.
- Annual Budget 2020 and budget monitoring and results of the exploratory activity 2019.
- Investments and operations of the Company reserved for the approval of the Board of Directors.
- Approval of operations with significant shareholders.
- Reports regarding Tax Policies applied by the Company.
- Renewal of the EMTN Program of Repsol Intenational Finance, B.V.
- Addax Arbitration Report Repsol Flexible Dividend Program.
- 2020 Resilience Action Plan - global vision and response to Covid-19
- Reflection and approval of the new Strategic Plan 2021-2025.
- Follow-up of the strategic commitments.
- Organizational evolution of the Top Management.
- Repsol Group corporate structure.
- Report on technologies for energy transition.
- Digital Program follow-up
- 2021 Share Purchase Plan
- Self-evaluation of the functioning of the Board of Directors and its Committees.
- Appointment and re-election of trustees of the “Fundación Repsol”.
- Partial revision of the Corporate Governance Code for listed companies.
- 2021 Board of Directors and Delegated Committee meeting schedule

3.4. Functioning of the Board of Directors

There is a working environment of open dialogue on the Board that enables Directors to freely express and adopt their positions.

The matters to be discussed at the meetings of the Board and the Committees are planned prior to the beginning of each year by the Chairman of the Board and by the Committee Chairs, who encourage the participation of the Directors, per the definition thereof, along with Company Management.

Main responsibilities of the Chairman

Mr. Antonio Brufau Niubó, the Non-Executive Chairman of the Board of Directors, is the maximum authority responsible for the efficient functioning of this body and as such is responsible for carrying out the following specific duties:

- Call and chair the meetings of the Board of Directors and the Delegate Committee, setting their agenda and leading the discussions and debates, in order to ensure that all matters are given sufficient time for discussion, encouraging the active participation of Directors at the meetings.
- Ensure that the Board has effective decision-making processes, in particular in relation to proposals of greater scale;
- Ensure that prior to the meeting the Directors receive the appropriate information necessary to discuss the items on the agenda;
- Ensure that the Board committees are adequately structured and have appropriate rules of operation;
- Regularly review and agree on with each Director their training and development needs;
- Ensure that the actions of the Board and its Committees are assessed at least once a year, and take action based on the results of this assessment;
- Maintain regular communication with the chief executive, providing the appropriate support, and report to the Board of Directors on their activity and performance.
- Chair the General Shareholders Meeting, in accordance with applicable regulations.

Main responsibilities of the Chief Executive Officer

Mr. Josu Jon Imaz is the chief executive of the Company and is responsible for the management of the business and the direction of the Company and has been delegated all the functions of the Board of Directors, except for those that cannot be delegated by law or by the Company's bylaws.

Main responsibilities of the Lead Independent Director

Mr. Mariano Marzo Carpio was appointed Independent Coordinating Director following Board resolution dated 27 March 2018 at the proposal of the Appointments Committee. Article 28 of the Board of Directors Regulations attributes him the following functions:

- Request that the Chairman of the Board of Directors call a Board meeting when he considers it appropriate.
- Request the inclusion of new points on the agenda of Board meetings, called or not, in the terms of article 9.3 of these Regulations.
- Coordinate, meet and transmit the opinions of the External Directors.
- Direct the regular appraisal of the Chairman of this body by the Board.
- Call and chair the meetings of the independent Directors he considers necessary or appropriate.
- Chair the Board of Directors meetings in the absence of the Chairman and Vice-Chairmen.
- Maintain contact with investors and shareholders to gauge their viewpoints to form an opinion on their concerns, in particular in relation to the Company’s corporate governance.
- Coordinate the Chairman’s succession plan.

Information provided to Directors

The Chairman, assisted by the Secretary to the Board, ensures that the Directors are provided with the information necessary, and sufficiently in advance, in order to effectively carry out their responsibilities and adequately prepare for the meetings.

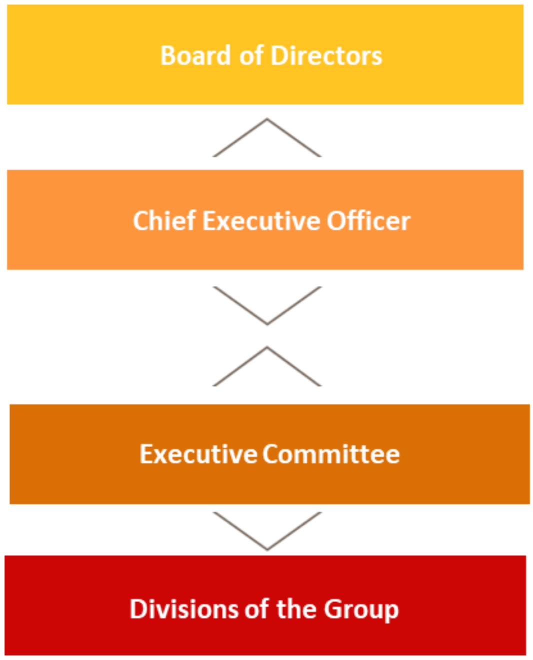
The call notices for Board and Committee meetings will be sent at least 48 hours prior to the meeting and include any documentation related to the agenda and minutes of the previous meeting. This information is accessible through the Director Portal, which is a specific computer application that facilitates the performance of the Directors' duties and the exercise of their right to information. This Portal includes the documentation and information deemed suitable for preparing the Board and Committee meetings in accordance with the agenda, including all presentations given, as well as any training materials aimed at Directors and any other information that may be of interest to them.

All Directors will also be provided with the minutes for all Committee meetings, which are also made available on the Director's Portal.

Directors have access to all the Company's services and may obtain, with the broadest possible powers, the information and advice they need to perform their functions. The right to information is channeled through the Chairman or the Secretary to the Board of Directors, who responds to Directors' requests and directly furnish them with the information, offering them access to appropriate sources or taking all necessary measures to answer questions.

Interaction of the Board of Directors with executive personnel

The Board of Directors has a direct and ongoing relationship with the members of the Company's Senior Management. Key executives attend the meetings of the Board and its Committees so as to report on the matters within their competence, and on any other matter that may affect the Company's performance. However, when executives are required to attend Board and Committee meetings, they will remain only for those specific items on the agenda where their presence is required.



Likewise, the Chairmen of the different Board of Directors' Committees meet periodically with the heads of the different corporate and business areas with responsibility in their areas of competence.

Translation of a report originally issued in Spanish.
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Director training

Repsol offers ongoing training programs and refresher courses on subjects in which the Directors have shown an interest. Among other matters, in 2020 training and information sessions were carried out in relation to the following content:

Board of Directors

Tax policies applied by the Company, technologies for energy transition, global vision and response to Covid-19, digitalization, emissions reduction and hydrogen technology.

Audit and Control Committee

Management of trading, communication and reputational risks, the alignment with personal data protection regulations, the Internal Control System for Financial and Non-Financial Information and the CNMV's new Code of Good Governance for listed companies.

Sustainability Committee

Report on ESG (Environmental, Social and Governance) analysts and investors, results and report on the Carbon Disclosure Project (CDP) and progress on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), natural capital and biodiversity, safety culture, progress on energy, climate change, community relations and human rights, and main international sustainability standards.

The Company also has an induction process for new Directors so that they are able to rapidly acquire sufficient knowledge of the Company and its corporate governance rules.

Orientation Program for New Directors

Information pack

- General information on the Company and its strategic plan
- Presentation of the Company's governance bodies and organizational structure
- Ethics and Conduct Code
- Company Bylaws
- Regulations of the General Shareholders Meeting
- Board of Directors Regulations
- Internal Code of Conduct relating to the Securities Market

Training sessions

- Functioning of Repsol's main businesses and corporate areas: Exploration and Production, Refining, Chemistry and Marketing
- Economic and energy environment

Specific meetings

- Specific sessions with the various heads of the Company's business and corporate areas
- Visits to the Company's various facilities

External advisory services

The Directors have the power to propose to the Board of Directors the contracting at the Company's expense of legal advisers, accountants, technical, financial, and commercial experts, and experts of any other kind they consider necessary to the Company's interests, to provide assistance in the performance of their functions with regard to specific problems of particular importance and complexity relating to their positions.

The proposal must be submitted to the Chairman of the Company through the Secretary to the Board.

Assessment of the Board of Directors

Repsol is fully committed to the performance of its corporate governance, adopting the best international practices applicable to it. With the aim of continuous improvement and in accordance with the provisions of Article 45quáter of the Bylaws and Article 11 of the Regulations of the Board of Directors, Repsol evaluates annually the functioning, quality and efficiency of the functioning of the Board of Directors and its Committees and, on the basis of the conclusions reached, prepares an action plan with the main work areas. Furthermore, at least once every three years, the Board of Directors shall be assisted in the evaluation by an external consultant.

In this regard, at the June 22, 2020 Board of Directors meeting, at the proposal of the Nomination Committee, it was agreed to commence the selection process of the external firm in charge of the assessment, by delegating the coordination of the project to the Nomination Committee's Chairwoman. Subsequently, at the meeting of the Board of Directors held on September 30, 2020, it was agreed, upon proposal of the Nomination Committee, to award KPMG Asesores, S.L. the assessment of the Board in its self-evaluation work for the 2020 fiscal year.

In accordance with the foregoing, the independent company KPMG has assessed the Board of Directors in the evaluation of its operation and its Committees during the year 2020 and in particular the performance of the Chairman of the Board of Directors, the Chief Executive Officer and the General Counsel and Secretary of the Board. The process was coordinated by the Chair of the Nomination Committee and the Secretary of the Board of Directors and concluded with the approval of the Conclusions Report and Action Plan at the Board of Directors' meeting of February 17, 2021.

The evaluation process has been carried out through individual interviews conducted by KPMG with each of the Board Members in order to ascertain their opinion on different issues related to the functioning of the Board and its Committees (including organization, composition, training, assessment, incorporation of new Board Members, information provided, development of the meetings, quality of the discussions, responsibilities and skills) as well as the performance of the Chairman of the Board of Directors, the Chief Executive Officer, the Secretary of the Board of Directors, in order to assess the perception of the Board Members regarding the performance of the Board of Directors and its Committees. The interviews were preceded by the fulfillment of an individual questionnaire by each of the Board Members with their assessments on the above-mentioned issues.

In view of the Report prepared by KPMG and after analyzing the information gathered, and following the report issued by the Nomination Committee, the Board of Directors approved an Action Plan at its meeting held on February 17, 2021, which includes some measures related to the reflection on strategy and energy transition, presentations to the Board and executive summaries, information on the perception of investors and analysts, and plans for the succession of key people in the Company.

With regard to the independence of the firm that has assessed the evaluation of the Board of Directors and its Committees, it should be noted that the business relationships that the KPMG Group and the Repsol Group have maintained during the 2020 financial year amounted to a total of 3.9 million euros. These relationships mainly related to the following services:

- Tax advice
- IT applications and services advisory services.
- Legal and litigation advice.
- Advice on training programs.
- Advice on corporate and business development matters.
- Regulatory issues advisory.
- Immigration, international removals and relocation services.

The annual worldwide revenue of the KPMG Group amounts to approximately 29,750 million euros while in Spain it amounts to 483 million euros, so that the amounts paid by the Repsol Group do not represent a significant percentage of the total KPMG revenue, both worldwide and in Spain. Thus, there are no objective reasons to question the independence of KPMG as an external consultant to assess the evaluation of the Board and its Committees.

4. Committees of the Board of Directors

Without prejudice to the Board's capacity to create other Committees in accordance with the Bylaws, the Company currently has a Delegate Committee, Audit and Control Committee, Nomination Committee, Compensation Committee and Sustainability Committee.

Regulation

The composition, functioning and competencies of the Committees of the Board of Directors are governed by the provisions of Articles 37 to 39bis of the Bylaws and Articles 32 to 37 of the Board of Directors Regulations.

Functioning

The Committees will be considered validly convened when one half plus one of its members attend the meeting in person or by proxy.

The members of the Committees will be relieved of their duties once their tenure as Director ceases or when agreed by the Board. Any vacancies that arise will be promptly filled by the Board of Directors.

The Committees will meet as and when called by the Chairman or requested by the majority of its members.

In order to better carry out its duties, this Committee may seek out advice from lawyers and other external professionals, in which case the Secretary to the Board, at the request of the Chairman of the Committee, will take whatever action necessary to engage the services of such lawyers or other professionals, which will be provided directly to the Committee.

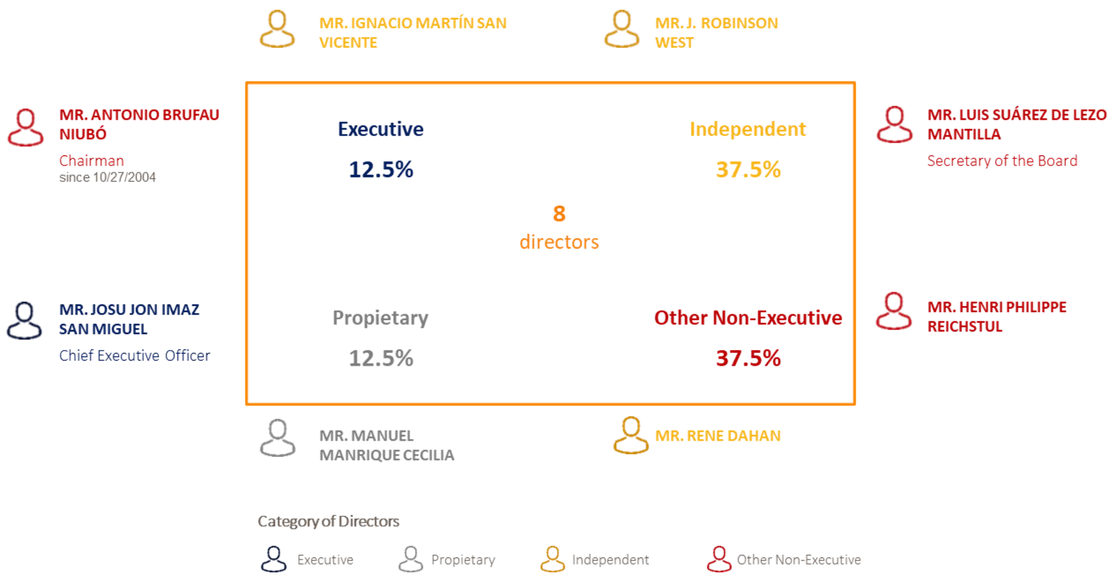
The Committees establishes an annual calendar of meetings, as well as an Action Plan for each year.

4.1. Delegate Committee

Composition

In accordance with the Board of Directors Regulations, the Delegate Committee will be composed of the Chairman of the Board of Directors and a maximum of eight Directors belonging to different categories, while maintaining a similar proportion to that of the Board of Directors. The Delegate Committee reflects the percentage on the Board of the various Directors by category. Committee members are appointed with a vote in favor of at least two-thirds of the current Board members. The Chairman and the Secretary of the Delegate Committee will be those of the Board of Directors.

The current composition of the Delegate Committee is as follows:



Competences and activities in 2020

All powers of the Board are permanently delegated to the Delegate Committee, except those that may not be delegated by law or under the Board Regulations. Whenever considered advisable owing to the importance of the business, in the opinion of the Chairman or three members of the Delegate Committee, or when required by the Board of Directors Regulations, the resolutions will be submitted to the Board in plenary session for ratification. The same will be applicable with regard to any matters referred by the Board to be studied by the Delegate Committee, which reserves the right to make the final decision on such matters. In all other cases, the resolutions passed by the Delegate Committee will be valid and binding with no need for subsequent ratification by the Board in plenary session.

Number of meetings in 2020: **4**

Main activities

- Reflection on the Strategic Plan
- Approval of investment projects for amounts over EUR 40 million.
- Analysis and monitoring of relevant projects for the Company.
- Exploratory activity.
- Self-evaluation of the functioning of the Committees.

Attendance at Delegate Committee meetings

Director	In person	By proxy	% of attendance in person in 2020[18]
Mr. Antonio Brufau Niubó	4	--	100%
Mr. Josu Jon Imaz San Miguel	4	--	100%
Mr. Manuel Manrique Cecilia	4	--	100%
Mr. Rene Dahan	4	--	100%
Mr. Ignacio Martín San Vicente	4	--	100%
Mr. Henri Philippe Reichstul	4	--	100%
Mr. J. Robinson West	4	--	100%
Mr. Luis Suárez de Lezo Mantilla	4	--	100%

4.2. Audit and Control Committee

This Committee was voluntarily set up on February 27, 1995, although was not mandatory for listed companies until 2002. It is an internal body for information and advisory purposes created by the Board of Directors, without executive functions, but with information, advisory and proposal powers within its area of activity.

On June 27, 2017, the CNMV published Technical Guide 3/2017 on Audit Committees of Public Interest Entities, which includes additional good practices and criteria on the scope of the functions and responsibilities of audit committees, which the Committee has analyzed, implementing those considered most appropriate.

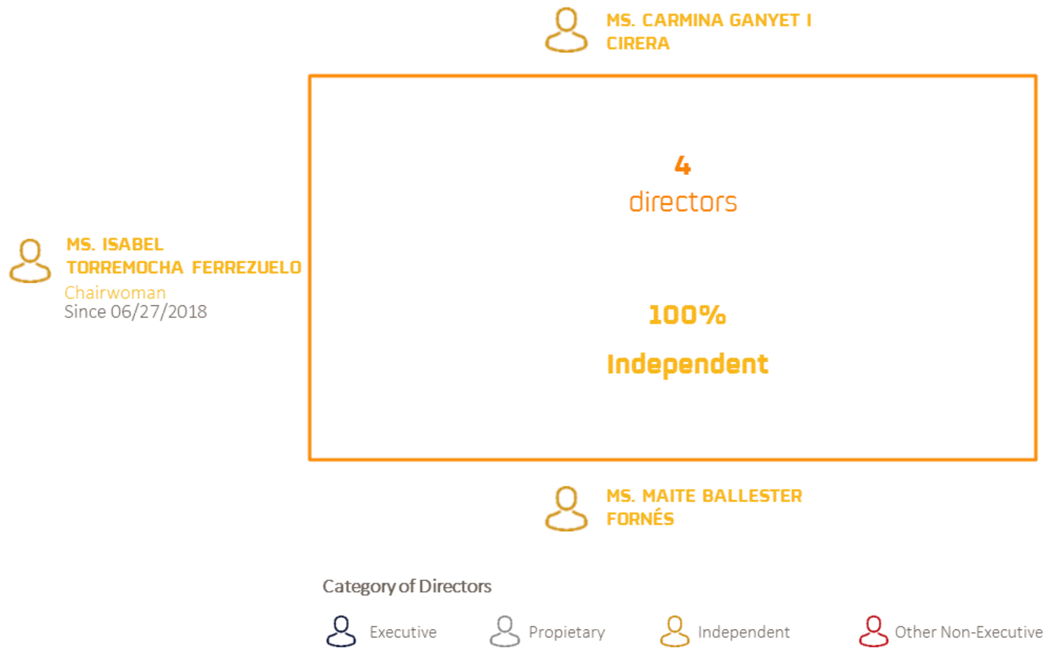
The Committee will also prepare an annual Activities Report that includes all matters discussed by the Committee. This document is made available to shareholders on the corporate website along with the call notice for the Annual General Meeting.

[18] Given the situation caused by Covid-19 and the restrictions and recommendations adopted by the competent authorities regarding the mobility and people assembling, the Commission has only held meetings with a physical presence in January and February, the remaining meetings having been held by telematic means.

Composition

In accordance with the Board of Directors Regulations, the Audit and Control Committee will consist exclusively, and no fewer than three, of Independent Non-Executive Directors. Its members are appointed by the Board of Directors for a period of four years, taking into account their expertise and experience in accounting, auditing and risk management, both financial and non-financial. Without prejudice to one or more re-elections, they will be relieved of their duties at the end of the term, when their tenure as a Director ceases, when they are no longer considered Independent, or when agreed by the Board of Directors, subject to a prior report by the Nomination Committee. The Chairman will be appointed from among its members and will hold office as such for a maximum of four years, after which they may not be re-elected until one year has passed, without prejudice to their continuation as a member of the Committee. The Secretary will be the Secretary to the Board of Directors.

The current composition of the Audit and Control Committee is as follows:



All of the Audit and Control Committee members have knowledge and experience in accounting, auditing or risk management, as well as various other competencies related to the sectors of telecommunications, information technologies, private equity, finance, corporate economic, risk control and management, energy or the securities market.

In accordance with the Board Regulations, the Chair of the Audit and Control Committee has experience in business and risk management and knowledge of accounting procedures.

Directors appointed based on their expertise and experience in accounting, auditing and risk management

- Maite Ballester Fornés
- Carmina Ganyet i Cirera
- Teresa García-Milá Lloveras
- Isabel Torremocha Ferrezuelo

Translation of a report originally issued in Spanish.
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Competences and activities in 2020

The Committee supports the Board of Directors in its supervisory duties, by regularly reviewing the preparation of economic and financial and non-financial reporting, the efficacy of internal controls, and the independence of the Auditor, as well as verifying compliance with all the legal provisions and internal regulations applicable to the Company. The Committee is in charge of submitting proposals regarding the appointment, renewal and removal of the External Auditors, as well as proposals on the terms of their contract, monitoring and reviewing the internal control and information systems, and overseeing the independence and effectiveness of the internal audit function. Before they are presented to the Board and with the necessary requirements to check they are correct, reliable, sufficient and clear, the Committee also analyzes the financial statements of the Company and its consolidated Group, as well as any other financial and non-financial information that the Company is obliged to publish as a listed company, reviews the relevant changes regarding the accounting policies used and ensures that the Board of Directors submits the financial statements at the General Meeting without reservations or qualifications in the auditor's report.

Number of meetings in 2020: **9**

Main activities

- Monitoring of the financial and non-financial information.
- Approval of the services contracted from external auditors, issuance of the report on the independence of the external auditor and fee proposal.
- Monitoring of the information and internal risk control systems.
- Monitoring of the tax policies applied by the Company.
- Monitoring of the activity of the Chief Compliance Officer and the Ethics and Compliance Committee.
- Monitoring of the reserves control.
- Monitoring of discretionary treasury share transactions.
- Review of the Risk Map and reports on the management of trading and reputational risks.
- Review of the reports and recommendations issued by Internal Audit.
- Analysis of communications received regarding accounting, internal accounting and auditing controls.
- Report regarding the compliance with obligations related to the stock market.
- Alignment of internal regulations with the modifications introduced in the recommendations of the CNMV's Good Governance Code for Listed Companies.

Without prejudice to the functions described above, the Audit and Control Committee will study any other matter that is submitted by the Board in plenary session, by the Delegate Committee or by the Chairman of the Board of Directors.

Attendance at Audit and Control Committee meetings

Director	In person	By proxy	% of attendance in person in 2020[19]
Ms. Isabel Torremocha Ferrezuelo	9	--	100%
Ms. Maite Ballester Fornés	9	--	100%
Ms. Carmina Ganyet i Cirera (1)	8	1	89%
Ms. Teresa García-Milá Lloveras	9	--	100%

(1) Due to other commitments made prior to the convening of the meeting on January 28, 2020, Ms. Ganyet attended the meeting represented by Ms. Torremocha. The documentation of the meeting was sent to it prior to its celebration, so Ms. Ganyet transmitted her considerations on it and voting instructions prior to the meeting.

[19] Given the situation caused by Covid-19 and the restrictions and recommendations adopted by the competent authorities regarding the mobility and people assembling, the Commission has only held meetings with a physical presence in January and February, the remaining meetings having been held by telematic means.

4.3. Nomination Committee

This Committee was created by the Board of Directors, with information, advisory and proposal powers within its area of activity.

On February 20, 2019, the CNMV published Technical Guide 1/2019 on Nomination and Remuneration Committees, which includes some good practices and additional criteria on the scope of the functions and responsibilities of the nomination and remuneration committees, which the Committee has analyzed, implementing all those it considered most appropriate.

Composition

In accordance with the applicable rules, the Nomination Committee consists of no fewer than three Non-Executive Directors, the majority of which must be Independent. Its members are appointed by the Board of Directors for a period of four years, taking into account the expertise, skills and experience of the Directors and the duties of the Committee. Without prejudice the possible re-elections, they will be relieved of their duties at the end of the term, when their tenure as a Director ceases, when they are no longer considered Independent, or when agreed by the Board of Directors, subject to a prior report by the Audit and Control Committee. The Chairman of this Committee will be one of its members, who must be an Independent Director, and the Secretary will be the Secretary to the Board.

The current composition of the Nomination Committee is as follows:

MR. MARIANO MARZO CARPIO

MS. CARMINA GANYET I CIRERA
Chairwoman
since 05/31/2019

4
directors

100%
Independent

MS. TERESA GARCÍA-MILÁ LLOVERAS

MS. ARANTZA ESTEFANÍA LARRAÑAGA

Category of Directors

Executive | Propietary | Independent | Other Non-Executive

Competences and activities in 2020

The duties of this Committee include, among others, submitting proposals and reporting to the Board of Directors on the selection, appointment, re-election and removal Directors, establishing a representation target for the less well-represented gender on the Board, preparing guidelines on how to reach this target, reporting on the proposed appointment and removal of Senior Managers of the Group, reporting to the Board on compliance by Directors with the corporate governance principles and other obligations, and on matters relating to the non-competition obligations of the Directors and related party transactions.

Number of meetings in 2020: **6**

Main activities

- Analysis of the competencies and skills required on the Board of Directors based on the needs of the Group.
- Proposals on the composition of the Board of Directors.
- Verification of compliance with the Director Selection Policy.
- Verification of the status of each Director.
- Assessment of the functioning of the Board of Directors and its Committees.
- Analysis of related transactions with significant shareholders.
- Change in organizational structure.
- Alignment of internal regulations with the modifications introduced in the recommendations of the CNMV's Good Governance Code for Listed Companies.
- Review of the Management Talent Map

Attendance at Nomination Committee meetings

Director	In person	By proxy	% of attendance in person in 2020[20]
Ms. Carmina Ganyet i Cirera	6	--	100%
Mr. Mariano Marzo Carpio	6	--	100%
Ms. Arantza Estefanía Larrañaga (1)	5	1	83%
Ms. Teresa García-Milá Lloveras	6	--	100%

(1) Due to other commitments made prior to the convening of the meeting on February 19, 2020, Ms. Estefanía attended the meeting represented by Ms. Ganyet. The documentation of the meeting was sent to it prior to its celebration, so Ms. Estefanía transmitted her considerations on it and voting instructions prior to the meeting.

[20] Given the situation caused by Covid-19 and the restrictions and recommendations adopted by the competent authorities regarding the mobility and people assembling, the Commission has only held meetings with a physical presence in January and February, the remaining meetings having been held by telematic means.

4.3. Remuneration Committee

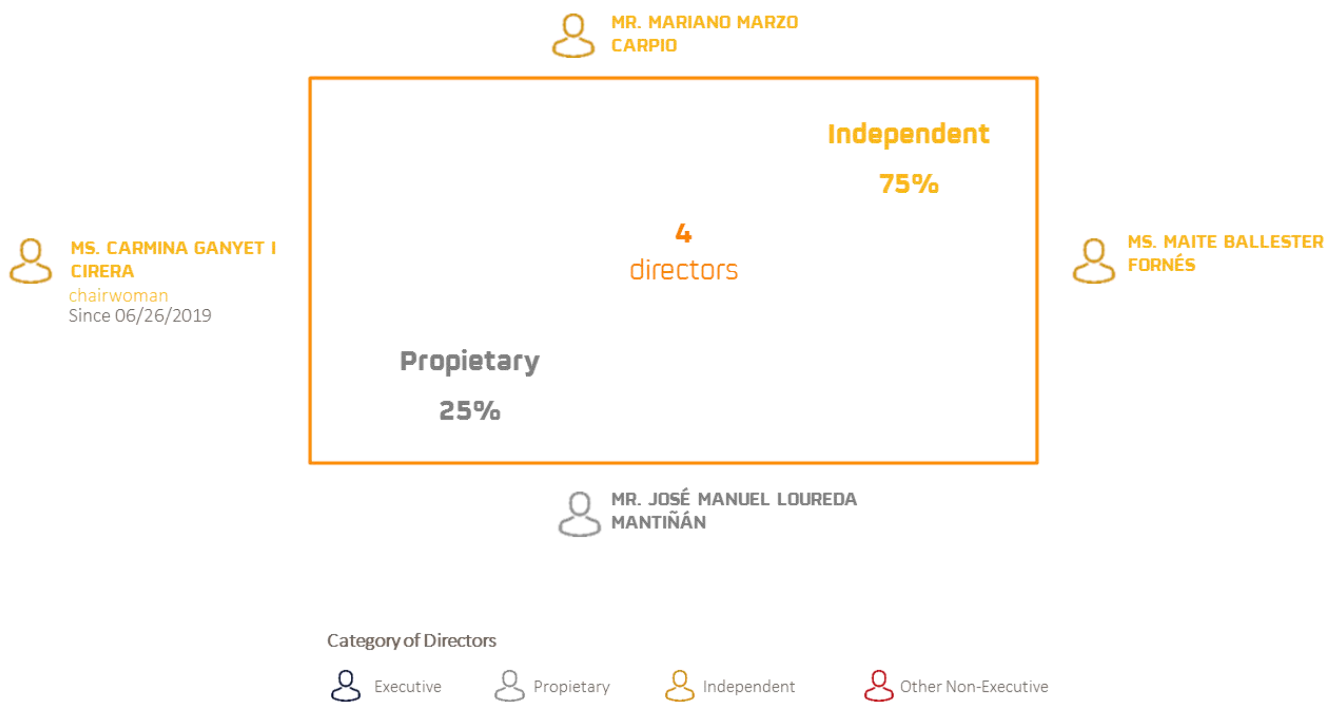
This Committee was created by the Board of Directors, with information, advisory and proposal powers within its area of activity.

On February 20, 2019, the CNMV published Technical Guide 1/2019 on Nomination and Remuneration Committees, which includes some good practices and additional criteria on the scope of the functions and responsibilities of the nomination and remuneration committees, which the Committee has analyzed, implementing all those it considered most appropriate.

Composition

The Remuneration Committee consists of no fewer than three Non-Executive Directors, the majority of which must be Independent. Its members are appointed by the Board of Directors for a period of four years, taking into account the expertise, skills and experience of the Directors and the duties of the Committee. Without prejudice to one or more re-elections, they will be relieved of their duties at the end of the term, when their tenure as a Director ceases, when they are no longer considered Independent, or when agreed by the Board of Directors, subject to a prior report by the Audit and Control Committee. The Chairman of this Committee will be one of its members, who must be an Independent Director, and the Secretary will be the Secretary to the Board.

The current composition of the Compensation Committee is as follows:



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Competences and activities in 2020

The duties of this Committee include, among others, submitting proposals and reporting to the Board of Directors on the remuneration policy for Directors and Senior Management and its application , including the share- based remuneration systems, on the standard terms of the contracts of Senior Management, verifying compliance with the remuneration policy established by the Company, ensuring that any potential conflicts of interest do not impair the independence of the external advisory services provided the company, verifying the information on remuneration contained in the various corporate documents or reporting on the use of company information and assets for private purposes.

Number of meetings in 2020: **3**

Main activities

- Report on the proposed liquidation of the Long-Term Incentive Program ILP 2017-2020 and on the proposal of the new Long-Term Incentive Program with partial allocation in shares 2020-2023.
- Proposal of remuneration for membership of the Board of Directors and its Committees for the 2020 financial year.
- Proposal of additional remuneration of the Chief Executive Officer for the performance of executive duties.
- Verification of the information on remuneration of Directors and Senior Executives included in the Consolidated Financial Statements for the years ended December 31, 2019 and compliance with the Directors' Remuneration Policy approved by the General Shareholders' Meeting.
- Proposals and reports for the 2020 Annual General Meeting regarding: Proposals and reports for the Annual General Meeting related to:
    - Approval of new additional cycles of the Share Purchase Plan by the beneficiaries of the Long-Term Incentive Programs.
    - Approval of the new Long-Term Incentive Programs with partial allocation in shares.
    - Annual Report for remunerations of the Board of Directors pursuant to exercise 2019.
- Definition of the objectives for the Long-Term Incentive (2020-2023) and adaptation of the objectives of the Long-Term Incentive Programs ILP 2018-2021 and ILP 2019-2022 to the new Strategic Plan 2021-2024.
- Report on the evolution of employee composition and staff costs in the 2021-2025 Strategic Plan.
- Evaluation of the functioning of the Committee.
- Alignment of internal regulations with the modifications introduced in the recommendations of the CNMV's Good Governance Code for Listed Companies.

Attendance at Compensation Committee meetings

Director	In person	By proxy	% of attendance in person in 2020[21]
Ms. Maite Ballester Fornés	3	--	100%
Ms. Carmina Ganyet i Cirera	3	--	100%
Mr. José Manuel Loureda Mantiñán	3	--	100%
Mr. Mariano Marzo Carpio	3	--	100%

[21] Given the situation caused by Covid-19 and the restrictions and recommendations adopted by the competent authorities regarding the mobility and people assembling, the Commission has only held meetings with a physical presence in January and February, the remaining meetings having been held by telematic means.

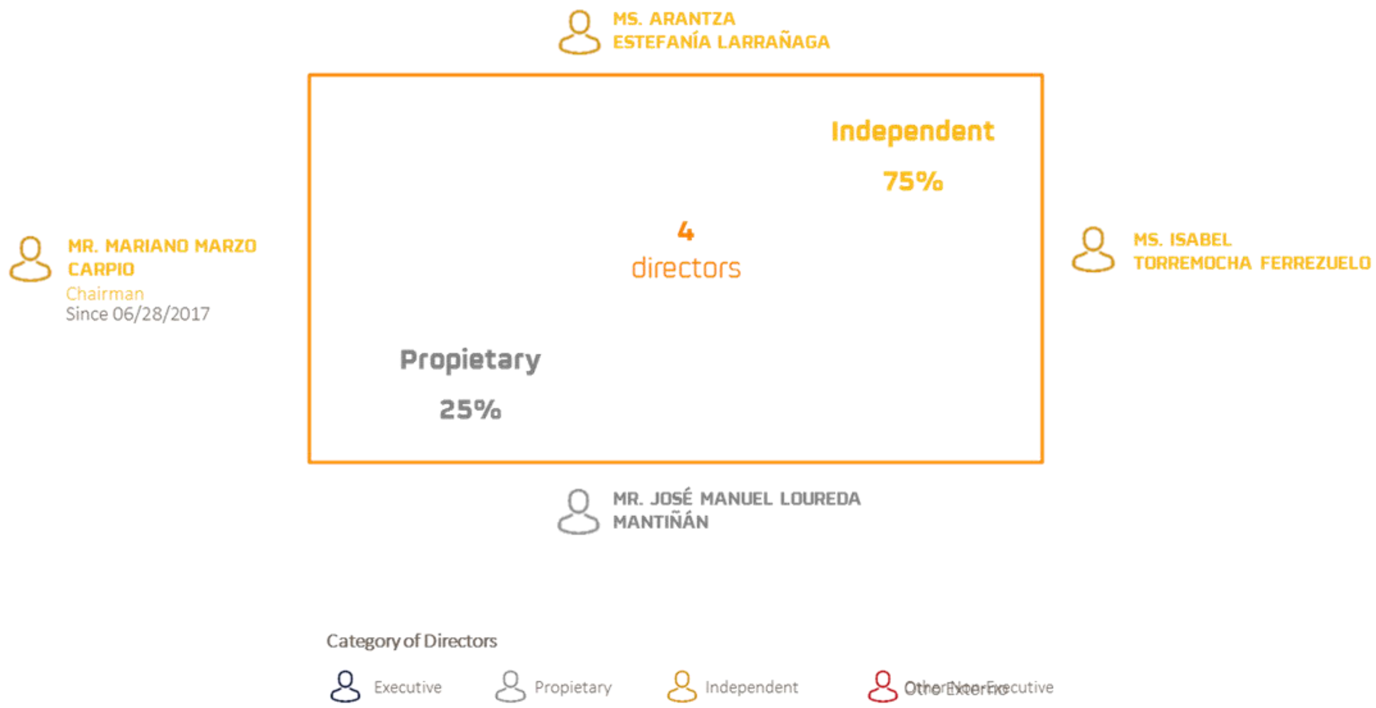
4.3. Sustainability Committee

This Committee is an internal body for information and advisory purposes created by the Board of Directors, without executive functions, but with information, advisory and proposal powers within its area of activity.

Composition

The Committee consists of no fewer than three Directors, who must be exclusively External or Non-Executive Directors, being the majority of them Independent Non-Executive Directors. Its members are appointed by the Board of Directors, taking into account the expertise, skills and experience of the Directors and the duties of the Committee, for a term of four years. Without prejudice to one or more re-elections, they will be relieved of their duties at the end of the term, when their tenure as a Director ceases, or when agreed by the Board of Directors, subject to a prior report by the Nomination Committee. One of the members of this Committee will be appointed Chairman and the Secretary will be the Secretary to the Board.

The current composition of the Sustainability Committee is as follows:



Competences and activities in 2020

The duties of this Committee include, among others, being familiar with and shaping the Group's policies, objectives and guidelines on environmental, safety and social responsibility matters, analyzing and reporting to the Board of Directors on the expectations of the Company's various stakeholders and supervising the relations with them, proposing to the Board of Directors the approval of a Sustainability Policy and reviewing and evaluating the management and control systems for non-financial risks.

The Committee will also prepare an annual Activities Report that includes all matters discussed by the Committee. This document is made available to shareholders on the corporate website along with the call notice for the Annual General Meeting.

Number of meetings in 2020: **4**

Main activities

- Monitoring of the non-financial information. Integrated Management Report 2019.
- Monitoring of the sustainability strategy of the Company: proposal and follow-up of the 2020 objectives; 2019 evaluation and closing of the objectives 2019.
- Analysis and follow up of the performance on:
  - Safety and Environment: S&E Scorecard, dashboard of indicators and safety and environmental strategy.
  - Community Relations and Human Rights advances
  - Circular Economy Advances.
  - Natural Capital and Biodiversity
- Report on ESG analysts (Environmental, Social and Governance).
- Climate Disclosure Project Results and advance in the Task Force on Climate-related Financial Disclosures (TCFD) and the report on Carbon Disclosure Project (CDP)
- Activities related with Energy Transition and Climate Change
- Strategic Safety and Environmental Projects
- Repsol Safety Culture.
- Materiality Analysis 2020.
- Plan to boost Sustainable Development Goals
- Self-Assessment of the Committee

In addition, all matters related to climate change were reviewed at all Committee meetings held in 2020.

Attendance at Sustainability Committee meetings

Director	In person	By proxy	% of attendance in person in 2020[22]
Mr. Mariano Marzo Carpio	4	--	100%
Mr. José Manuel Loureda Mantiñán	4	--	100%
Ms. Arantza Estefanía Larrañaga	4	--	100%
Ms. Isabel Torremocha Ferrezuelo	4	--	100%

[22] Given the situation caused by Covid-19 and the restrictions and recommendations adopted by the competent authorities regarding the mobility and people assembling, the Commission has only held meetings with a physical presence in January and February, the remaining meetings having been held by telematic means.

5. Remuneration of Directors and Senior Management

10,301	2,458	0
Remuneration accrued in 2020 by the Board of Directors	Amount of accumulated pension rights of current Directors	Amount of accumulated pension rights of former Directors

11,917[23]

Total remuneration of Senior Management in 2020

(*thousand of euros*)

Breakdown of the members of Senior Management in 2020 that are not Executive Directors

Name	Category
Luis Cabra Dueñas	EMD of Technological Development, Resources and Sustainability
Begoña Elices García	EMD of External Relations
Arturo Gonzalo Aizpiri	EMD of People and Organization
Miguel Klingenberg Calvo	EMD of Legal Affairs
Antonio Lorenzo Sierra	EMD of CFO
Isabel Moreno Salas	MR. Audit, Control and Risks
María Victoria Zingoni	EMD of Commercial Businesses and Chemistry
Tomás García Blanco	EMD of Exploration and Production
Juan Antonio Carrillo de Albornoz Tejedor	ED of Industrial Businesses and Trading

[23] The amount indicated under this heading includes the remuneration of the Director of Audit, Control and Risk because, for the purposes of this report, "senior management" means those executives who report directly to the Board or the chief executive of the company and, in any case, the internal auditor. The percentage of women out of the total number of members of Senior Management is 33%, and the percentage of remuneration received by female managers out of the latter's total remuneration is 38.9%. It should also be noted that this amount does not include the amounts paid to management personnel who have left the Company as termination benefits and compensation for the non-competition agreement, which amount to 5.357 million euros.

On December 16, 2020, the Board of Directors approved the new management structure, effective January 1, 2021, in order to achieve the Strategic Plan presented by the Company. In this regard, Repsol's Executive Committee is now made up of the following people:

- Josu Jon Imaz, Chief Executive Officer (CEO).
- Luis Cabra, EMD of Energy Transition, Sustainability and Technology; Deputy to the CEO
- Antonio Lorenzo, Chief Financial Officer (CFO)
- María Victoria Zingoni, EMD of Customer and Low Carbon Generation
- Tomás García, EMD of Exploration and Production
- Arturo Gonzalo, EMD of Communications, Institutional Relations and Chairman's Office
- Miguel Klingenberg, EMD of Legal Affairs
- Juan Abascal, ED of Industrial Transformation and Circular Economy
- Carmen Muñoz, CD of People & Organization
- Valero Marín, CD of Digitalization and Global Services

Termination benefits, guarantee or golden parachute clauses agreed between the Company and its directors, executives or employees

The Company has established a single legal statute for executive personnel, comprised of seven Managing Directors and another 234 Directors.

This legal statute is specified in the *Executive Contract*, approved by the Board of Directors, which governs the indemnity terms applicable in cases where the employment relationship is terminated and which considers grounds for termination to be those envisaged in current legislation. In the case of Managing Directors, these grounds for termination include its resignation as a result of a takeover of the company or a major change in its ownership, leading to a renewal of its governance bodies or the content of and approach to its main business activity.

The amount of severance pay for the Managing Directors and the rest of the executives appointed before December 2012 is calculated according to the age, seniority and salary of each executive. In the case of executives appointed after that date, the amount is calculated based on their salary and years of service, within a range between 12 and 24 months, or the amount stipulated by law if higher.

For Chief Executive Officers contracted after 2012, compensation of one year's total remuneration (six months in the case of one of them) included within the 24 monthly payments of their compensation is established for the post-contractual non-compete commitment. For the other executives, one year of remuneration, total or fixed, is established in accordance with the duration of the contract, in addition to their compensation. The contracts of executives of some countries do not envisage the post-contractual non-compete commitment or do not establish any compensation for it.

For the CEO, on the other hand, deferred financial compensation equivalent to two years’ fixed and variable annual remuneration — including the non-compete remuneration — is established, which will apply in case of termination of the contract due to causes attributable to Repsol or by mutual agreement, if it takes place in the Company’s interest.

6. Related party and intra-group transactions

Mechanisms to detect, determine and resolve conflicts of interest

The Regulations of the Board of Directors require the Directors to adopt the necessary measures to avoid incurring in situations in which their interests, whether on their own behalf or on behalf of others, may conflict with the corporate interest and with their duties towards the Company. to the Board of Directors, through its Chairman or Secretary, any situation of conflict, direct or indirect, that they or persons linked to them may have with the interest of the Company and, in the event of such conflict, refrain from participating in the deliberation and voting of the corresponding agreements.

Directors must inform the Nomination Committee of any other professional obligations and remunerated activities of any kind, as well as any material change in their professional situation or any changes that affect the nature or condition by virtue of which they have been appointed Director.

Finally, Directors must tender their resignation and step down from the Board, should the latter deem fit, whenever they incur in any of the events of incompatibility or disqualification established by law, the Bylaws or regulations.

Lastly, the Repsol Group's Ethics and Conduct Code, which applies to the Board members and all Repsol employees, also defines and regulates the action procedure in situations where a potential conflict of interest may arise.

Furthermore, the Internal Conduct Regulations of the Repsol Group on the Securities Market, with the same scope of application, contain the conflicts of interest prevention and resolution mechanisms.

Competence for approving related party transactions

Pursuant to Article 22 bis of the Company Bylaws and Article 23 of the Board of Directors Regulations, any transactions that the Company performs directly or indirectly with Directors, significant shareholders represented on the Board or persons related thereto (i) that are for a sum exceeding 5% of the Group’s assets according to the latest consolidated financial statements approved by the General Meeting; (ii) that involve strategic assets; (iii) that involve the transfer of significant technology of the Company; or (iv) that are intended to establish strategic alliances and are not mere agreements of action or execution of existing alliances, can only be performed if they meet the following conditions:

a) the transaction is fair and efficient from the standpoint of the Company’s interests;

b) after obtaining the corresponding report from an independent expert of renowned prestige in the financial community indicating that the related party transaction will be made on reasonable, arm’s length terms, the Nomination Committee issues a report assessing fulfillment of the requirement indicated in (a) above; and

c) the General Meeting authorizes the related party transactions with a vote in favor of 75% of the share capital attending in person and by proxy. However, if it is considered unadvisable to wait for the next General Meeting to obtain authorization, for reasons of opportunity, and provided the value of the transaction does not exceed 10% of assets, the transaction may be approved by the Board of Directors, provided (i) the report from the Nomination Committee indicated in (b) above is favorable for the transaction, and (ii) the resolution is passed with the favorable vote of at least two-thirds of the Board members not affected by a conflict of interest. In this case, the Board will inform shareholders at the next General

Meeting of the terms and conditions of the transaction.

When calling the General Meeting to discuss or be informed on the authorization of the related party transaction, the Board of Directors will make available to shareholders the reports issued by the Nomination Committee and the independent expert contemplated in (b) above and, should it so deem fit, its own report on the matter.

Other related party transactions must be authorized by the Board of Directors after obtaining a report from the Nomination Committee. On an exceptional basis, and for reasons of urgency, related party transactions that would normally require approval by the Board may be authorized by the Delegate Committee, subject to subsequent ratification by the Board in plenary session.

This authorization is not needed for related party transactions that meet all three of the following conditions:

a) they are performed under contracts with standard terms and conditions which are applied across the board to a large number of clients;

b) they are performed at prices or rates generally established by the person acting as supplier of the good or provider of the service in question or, if refers to goods or services for which there are no prices established, on arm's length terms, similar to those applied in commercial relations with clients of a similar nature; and

c) the amount of the transaction does not exceed 1% of the Company's annual income.

Related party transactions are assessed from the point of view of equal treatment and arm's length terms and are described in the Annual Corporate Governance Report and the regular public information on the terms set out in the applicable laws and regulations.

Significant related party transactions due to their amount or importance

Repsol related party transactions are assesed from the point of view of equal treatment and arm's length terms. There are related parties: i) significant shareholders that have that condition (at December 31st Sacyr S.A.) ii) Persons, Companies and Group entities (if there are transactions which are not eliminated during the consolidation process) and iii) Directors and Senior Management.

Note 26 to the Consolidated Group Financial Statements provides information on the incomes, expenses and other transactions recognized in the financial year and the debit and credit balances recorded at December 31st for transactions with related parties, including significant shareholders.

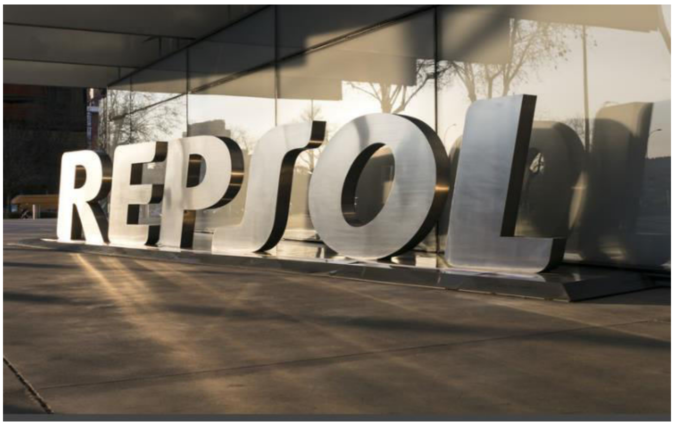
List of any transactions between the Company or entities of its group and significant shareholders of the Company:

Name of controlling shareholder	Name of company or group Company	Relationship	Type of transaction	Amount (thousand euros)
Sacyr, S.A.	Repsol, S.A.	Corporate	Dividends and other distributed income	57,876
Sacyr, S.A.	Repsol Renovables, S.L.U	Commercial	Other (Commitments given)	56,000
Temasek Holdigs (Private) Limited[(1)]	Talisman Corridor Ltd, Branch	Commercial	Sale of assets (finished or work in progress)	34,862

(1) Transactions related to the Temasek Group are considered to have been carried out until April 16 (date of sale of its entire shareholding).

Transactions with other entities in its group that are not eliminated from the process of preparing the consolidated financial statements and do not form part of the company's normal business

The transactions performed by Repsol, S.A. with the companies in its Group, and between them, form part of the company's normal business operations in terms of their purpose and under market conditions.



Between the Company or Group entities with the Company's directors are executives.

Name of directors or executives	Company executives
Name of related party	Repsol Group
Relationship	Contractual
Nature of the transaction	Financing agreements: loans
Amount (thousand euros)	293

The Note 27 and 28 of the 2020 Consolidated Annual Accounts and in the Remunerations Reports is informed the remunerations with Directors and Senior Management.

7. Financial reporting and audits

7.1. Required Financial Reporting

The Company's separate and consolidated financial statements that were submitted to the Board of Directors for authorization for issue are first certified by the Chief Executive Officer, Mr. Josu Jon Imaz San Miguel, and by the CFO, Mr. Antonio Lorenzo Sierra.

The Board of Directors has established mechanisms to prevent the separate and consolidated financial statements prepared from being submitted to the General Meeting with a qualified auditor's report. To that effect and as mentioned in section B.4.2. the Audit and Control Committee regularly review the preparation of economic and financial reporting, its internal controls and the independence of the external auditor, supervision of Internal Audit.

For that, the Committee regularly receives information from the External Auditor on the audit plan and results of their work, and checks that executive personnel are acting on its recommendations. At least once a year, the External Auditor is also required to assess the quality of the Group's internal control systems regarding financial information. The Committee is also responsible for being informed of any situations requiring adjustments that may be detected over the course of the external auditor's work whenever they are significant, and consideration as such will be left to the discretion of the External Auditor, who, if there is any doubt, must opt to report the issue and notify the Chair of the Committee as soon as it becomes aware of the situation in question. The Committee must also be informed of the degree of fulfillment by the audit units of the corrective measures recommended by Internal Audit and will be informed of any significant irregularities, anomalies or breaches, provided they are considered significant, detected by Internal Audit in the course of its work.

For such purpose, the members of the Audit and Control Committee have the dedication, skills and experience necessary to carry out their duties; and the Committee's Chairman must have experience in business and risk management and expertise in accounting procedures Additionally, at least, one of its members must have the financial experience that may be required by the bodies regulating the securities markets on which the Company's shares or securities are listed.

7.2. Audits

External auditor

In 2018 the Company appointed PricewaterhouseCoopers, S.L. as its external auditor for 2018, 2019 and 2020, being year 2020 the third year that this firm audits the Company.

Mechanisms to preserve independence of the Externa Auditor

One of the duties of the Audit and Control Committee consists of ensuring the independence of the External Auditors, in two ways:

a) Avoiding any factors that may compromise the warnings, opinions and recommendations of the Auditors, and

b) Overseeing any incompatibilities between auditing services and any others, the limits on concentration of the Auditor's business and, in general, all other rules established to guarantee the Auditor's independence.

The Audit and Control Committee has established a procedure for preliminary approval of all services, auditing or otherwise, provided by the External Auditor, whatever their extent, scope and nature. This procedure is regulated in an Internal Rule that is mandatory for the entire Repsol Group.

Likewise, the Committee must receive annual written confirmation from the External Auditor of its independence towards the Company or entities directly or indirectly related thereto, as well as information on additional services of any kind provided to these entities by the Auditors or by individuals or entities related to them and the fees charged, in accordance with the regulations governing the activity of auditors.

The Committee will issue, prior to the delivery of the auditor's report, an annual report expressing an opinion on the independence of the External Auditor. This report must contain a reasoned assessment of any non-auditing services rendered, considered both individually and as a whole, in relation to the rules governing independence or the regulations of the auditing profession.

On the other hand, part of the meetings with the auditor takes place without the presence of the entity's management, so that the specific issues arising from the reviews carried out can be discussed exclusively with them.

Other work for the Company carried out by the external auditor

The audit firm carried out other non-audit work for the Company and/or its Group. The amount of the approved fees[24] for this work and the percentage they represent of the approved fees to the Company and/or its Group, for the year 2020:

	Company	Group companies	Total
Amount of non-audit work (thousands of euros)(1)	324	515	839
Amount of non-audit work / Amount of audit work (%)	9%	12%	11%

(1) Includes, mainly, the amount of other services related to the audit (verifications and certifications for partners and official bodies, reports for the issuance of obligations and other negotiable securities —Comfort letter—, as well as verification of the non-financial information in the management report consolidated).

Reservations or qualifications in the auditor's report

The auditor's report on the financial statements for 2019 presented by the External Auditor has been presented without qualifications.

Number of consecutive years that the auditors have been carrying out the audit

	Separate	Consolidated
No. of consecutive years	3	3
No. of years audited by current audit firm / No. of years that the Company or its Group has been audited (%)	8.82%	10%

[24] Amounts approved by the Audit and Control Committee for the year 2019.

8. Risk control and management

8.1. Risk Control and Management Systems

The information requested in sections E.1, E.2, E.3, E.4, E.5 and E.6 of Circular 1/2020 is included in "*Annex II Risks*" of the Consolidated Report, of which this Annual Corporate Governance Report forms part as Annex VII.

8.1. Systems of Internal Control over Financial Reporting (ICFR)

Control environment

Bodies responsible

In accordance with the Company Bylaws, the Board of Directors of Repsol, S.A. is the body in charge of governing, directing and managing the businesses and interests of the Company, unless reserved for the General Shareholders Meeting. It focuses on the general function of supervision and the consideration of especially important issues for the Company.

The Board of Directors Regulations define the powers reserved for it, such as drafting the separate and consolidated Financial Statements and Management Report and submitting them to the General Shareholders' Meeting. The Board of Directors must draw these documents up in clear, precise terms. It must also make sure they give a true and fair view of the equity, financial position and results of the Company and the Group, as stipulated in law. Approval of the risk management and control policy, including tax risks, supervision of internal reporting and control systems, the determination of the Group's fiscal strategy, the definition of the corporate structure and approval of the financial information which Repsol, as a publicly listed company, is obliged to publish regularly, are also reserved for the Board of Directors.

Such Regulations also establish the Board's responsibility for approving the company's ethics and conduct codes, its own organization and functioning and that of the Senior Management, as well as specific duties referring to the Company's activity on the securities market.

The Board of Directors has a direct relationship with the members of Senior Management and the Company's auditors, respecting their independence at all times.

Section B.3.1 of this Report contains information on the structure and composition of the Board of Directors.

The Board of Directors has appointed members to sit on several Committees, such as the Audit and Control Committee, whose main purpose according to the Board of Directors Regulations is to support the Board in its supervisory duties, by regularly reviewing the preparation of economic and financial and non-financial reporting, the effectiveness of its executive controls and the independence of the external auditors, as well as checking fulfillment of all applicable laws and internal regulations.

All members of the Audit and Control Committee are Independent Non-Executives Directors. The members of the Audit and Control Committee, and in particular its Chairman, shall be appointed taking into account their knowledge and experience in accounting, auditing and risk management, both financial and non-financial. Likewise, some of its members must have such financial experience as may be required by the regulatory bodies of the securities markets on which the Company's shares or securities are listed.

The structure and functioning of this Committee are included in section B.4.2 of this Report, which expressly refers to the system for appointing the Chairman of this Committee.

As established in the Board of Directors Regulations regarding internal control and reporting systems, the Audit and Control Committee is responsible, among other duties, for regularly reviewing the efficacy of the internal control, internal audit and risk management systems, including tax risks, ensuring that the principal risks are identified, managed and reported adequately.

Moreover, according to these Regulations, the Audit and Control Committee is responsible for the following duties related to financial reporting process:

- Supervise and evaluate the preparation and presentation of mandatory financial and non-financial reporting on the Company and the Group and its integrity, compliance with legal requirements, adequate definition of the consolidated group and correct application of the accounting principles.

- Before they are presented to the Board and with the necessary requirements of checking that they are correct, reliable, sufficient and clear, analyze the Financial Statements of the Company and its consolidated Group contained in the annual, half-year and quarterly reports, and any other financial and non-financial information which, as a listed company, the Company is obliged to publish regularly, obtaining all the necessary information with the level of aggregation it considers appropriate, for which it will receive the necessary support from the Group's executive management.

- Ensure that the Financial Statements to be presented to the Board of Directors to be authorized for issue are certified as required by the internal or external regulations applicable from time to time.

- Check all significant changes in the accounting principles used and the presentation of the financial and non-financial statements and make sure they are adequately publicized.

- Ensure that the Board of Directors submits the financial statements at the General Meeting without any reservations or qualifications in the auditor's report and that in those exceptional cases where there are qualifications, both the Chairman of this Committee and the auditors provide the shareholders with a clear explanation of the scope and contents of the reservations or qualifications, providing the shareholders with a summary of said opinion at the time of publication of the call to the meeting.

- Examine draft ethics and conduct codes and modifications thereto, as prepared by the corresponding department of the Group, and issue its prior opinion on the proposals that are to be put to the corporate bodies.

- Supervise compliance with the internal Codes of Ethics and Conduct, ensuring that the corporate culture is aligned with its purpose and values, and take particular care in ensuring compliance with the applicable market conduct regulations and overseeing the actions of the Company's Internal Transparency Committee.

- Supervise the sufficiency, adequacy and efficient functioning of the recording and internal control systems and procedures in the measuring, valuation, classification and accounting of the hydrocarbon reserves of the Repsol Group, ensuring that they are included in the Group's regular financial reporting in accordance with sector standards and applicable laws and regulations.

- Protect the independence and efficacy of internal auditing; and that it has the training and adequate means to perform its functions in the Group; analyze and approve, if appropriate, the annual planning of the Internal Audit Department and obtain information on the extent to which the audited units have implemented the corrective measures recommended by the Internal Audit Department in previous inspections. The Audit and Control Committee reports to the Board any situations that may entail a substantial risk for the Group.

Elements of the process of preparing financial information

- **Departments and/or mechanisms responsible for designing and reviewing the organizational structure and defining the lines of responsibility**

The internal regulations assign to the People and Organization Corporate Department the responsibilities associated with the study, design, approval and implementation of organizational structures and sizing, as well as the maintenance of the company's regulatory body and its availability to all employees.

The organizational structure establishes the hierarchical and functional level for the normal development of the Group's various areas of activity and determines the levels of responsibility, decision and functions of each of the organizational units.

Represented by means of an organization chart and the sizing's define. Approval of a structure requires the line and the People and Organization Corporate Department approver, according to the levels and the principle established in the regulations whereby a structure approval is based on the premise that a structure cannot be approved by the person who is directly responsible for it, but rather by their hierarchical superior.

The People and Organization area is responsible for implementing organizational changes in the people management system which makes it possible to ensure compliance with the requirements established as regards internal control.

On the other hand, internal regulations are established as a management tool, whose main objectives are to reinforce control systems and ensure compliance with external and internal requirements; to provide action criteria that facilitate employees' understanding of their responsibilities; to assist in the risk management and control; and to contribute to a more agile and orderly execution of the company's activities.

The Corporate People and Organization Department is responsible for keeping the company's regulatory body up to date. This is carried out through a process that ensures the involvement of the affected areas in the preparation of the different regulatory documents, their consistency with the hierarchy and structure of the regulatory body and their approval at the appropriate level. It also ensures that the regulations are adequately disseminated and made available to all employees.

- **Ethics and Conduct Code and body responsible for ensuring its monitoring and compliance**

Repsol has an Ethics and Conduct Code, approved by the Board of Directors, based on the favorable report of the Audit and Control Committee, the Sustainability Committee and the Ethics and Compliance Committee, which applies to all directors, executives and employees of the Repsol Group. The Code establishes the minimum conduct guidelines that should govern the behavior of all those to whom it is directed when performing their professional duties and the penalty regime applicable in the event of failure to comply with those rules.

The Code contemplates, among others aspects, the basic principles of performance in relation to integrity and conduct, reliability of information and control of records, as well as the processing of sensitive information and intellectual property. It also specifies obligations in relation to human rights, community relations, measures against bribery, corruption, and money laundering and the commitment to carry out activities in accordance with prevailing legislation in all the areas of performance and countries.

The people who join the Company have a Welcome Plan with the aim of achieving their quick adaptation to the team. This Plan includes information on the essential regulations that that every employee should know and respect when they join, regardless of the area or business they will be working in, including a direct channel for employee consultations. The framework of this regulation is the Ethics and Conduct Code.

Additionally, communication actions and training courses on the “Code of Ethics and Conduct” are performed to strengthen their knowledge and for their adequate fulfilment. This year, Repsol has developed a new training action in relation to the Code of Ethics and Conduct for its employees in an innovative and dynamic “web series” format, placing special emphasis on anti-corruption, competition, criminal prevention, protection of personal data and workplace mobbing. In addition, it has deployed a global training plan on basic ethics and compliance regulations, including micro-learnings on gifts and benefits, conflicts of interest, anti-corruption and due diligence with third parties, as well as face-to-face or synchronous sessions for the most exposed groups.

Furthermore, Company executives agree to comply with the Executive Personnel Statute attached to their employment contracts. This Statute refers to the principles on which their professional actions must be based, as well the Company’s principles of conduct and standards, with special emphasis on the Ethics and Conduct Code.

The Ethics and Compliance Committee oversees and monitors compliance with the Code and is responsible for resolving on the communications considered relevant that are received through the channel.

In accordance with the Regulations of the Ethics and Compliance Committee, the Committee is composed of a multidisciplinary group, including the General Director of Legal Affairs, the General Director of Communication & Institutional Relations, the Corporate Director of People and Organization [25], the Corporate Director of Legal Services and Chief Compliance Officer, the Director of Audit, Control and Risks and the Director of Labor Relations, Legal Labor Management and Safety at Work. Twelve policies compose Repsol’s regulatory corpus within the framework of its Ethics and Conduct Code. These policies define its public commitment and management fundamentals, establishing principles and guidelines for all Repsol employees for the purpose of fostering relationships, processes and decision-making that align with the Company's values.

These policies include the "Anti-corruption Policy" reiterating Repsol's commitment to strict compliance with legislation on the prevention and fight against corruption, rejecting any form of corruption and extending its compliance not only to all employees of the companies in which the Repsol Group exercises direct or indirect management control, but also to our Business Partners.

Likewise, in its "Third-Party Commercial Relationships Policy", Repsol agrees to ensure that its commercial and business relationships with partners, suppliers, contractors and customers are legal and based on Repsol's ethical principles and values.

Furthermore, Repsol has a mandatory "Tax Policy" for all of its employees and Group companies that includes various commitments aimed at ensuring that tax matters are managed according to best tax practices and acting with transparency, including responsible and efficient payment of taxes, the

[25] Ms. Carmen Muñoz —Corporate Director of People and Organization—, was appointed member of the Ethics and Compliance Committee at its meeting held on January 20, 2021.

fostering of cooperative relationships with governments and the firm intention to strive to avoid significant risks and unnecessary conflicts.

A new " Privacy and personal data protection" policy has been approved this year, whose goal is to guarantee the right to the protection of the personal data of all individuals who relate to Repsol Group companies, ensuring respect for the right to honor and privacy in the processing of the different types of personal data.

In addition, there is a "Repsol Group Internal Code of Conduct in relation to the Securities Market", approved by the Board of Directors, with the prior favorable report of the Audit and Control Committee, containing aspects such as the rules of conduct, for people affected by this Regulation, relating to transactions with financial securities and instruments issued by the Group that are traded on securities markets, treatment and communication of insider information, own-share transactions, prohibitions against manipulating stock prices and the treatment and management of conflicts of interest. The Company has formally established mechanisms in those regulations to promote its communication and compliance with its provisions. For these purposes, and pursuant to these Regulations, the Audit and Control Committee is responsible for supervising and the obligations established therein, whereby any failure to comply with its provisions will be considered an act of professional misconduct, the seriousness of which will be determined in the proceedings that follow in accordance with current legislation, without prejudice to any infringement that may arise as a result of contravening any securities market regulations or to any third-party or criminal liability to which the infringing party may be subject.

Finally, in the field of Spanish companies and under the framework of Spanish regulations on the criminal liability of legal entities, the Ethics and Compliance Committee has been appointed as the Crime Prevention Body. Likewise, there is a rule for "Management of the Crime Prevention Model" and another for "Internal Investigations of the Ethics and Compliance Committee", which structures the prevention model and the mechanism to respond to data on or indications of potential crimes committed with regard to the Crime Prevention Model or suspected breaches of that. In addition, Repsol has a Crime Prevention Manual designed to improve the understanding of criminal risks and the actions and conduct expected of employees. In 2020, this plan included carrying out new classroom-based face-to-face or synchronous training sessions for new managers, managers of industrial complexes and key personnel in countries, as well as an online course for those responsible for managing the controls of the Crime Prevention Model and the communication channels likely to receive communications related to the Crime Prevention Model.

- Ethics and Compliance Channel

In accordance with the Board of Directors Regulations, the Audit and Control Committee is responsible for establishing a mechanism that allows employees to report confidentially and, if possible, anonymously, irregularities of potential significance, especially of a financial and accounting nature.

In this sense, the Company has a communications channel, the "Ethics and Compliance Channel", that allows Company employees and any third party to make consultations or to communicate, among others, possible breaches of the Ethics and Conduct Code and Crime Prevention Model as well as any matters related to accounting, internal control and audit, confidentially and without fear of reprisal. The channel is managed by an independent company and is available 24 hours a day, 7 days a week, by phone and online.

- Training programs and regular refresher courses

Training in Repsol is geared towards developing the professional capacities required for effective performance of the employees' work, supplemented with further training to support and foster progression in their careers. It is based on initiatives intended to structure knowledge, develop skills and foster employees' commitment to the Company's plans, culture and values throughout their careers.

To achieve this, the Company has a broad selection of training activities covering issues ranging from technical aspects, organized specifically for given groups, to other more general aspects, such as management, safety awareness.

Through collaboration between the Repsol Training Center and each of the units of the Group, Repsol ensures the acquisition and updating of essential knowledge to perform the economic administrative, risks management and internal audit and control duties. The training needs are planned to meet both short and medium-term requirements and the corresponding annual plan is drawn up, identifying and paying attention not only to the form of training best suited to each group but also time enabling the Company to monitor the stated objectives and the quality of training given to each employee. As part of this plan, there are actions designed to distribute the internal control models, in particular the System of Internal Control over Financial Reporting (ICFR), to the different people and areas affected by these models.

These needs are met by both internal resources, with training activities designed and given by its own personnel with experience and references in their respective fields, and by reputed firms contracted for their quality and specialization. Other resources are also used, such as conferences, talks, discussion forums, workshops and virtual libraries.

Risk assessment in financial reporting

Features of the risk identification process, including risks of error or fraud

- Risk identification process

The Repsol Group has an integrated risk management process as indicated in section 8.1 of this Report. This process establishes a homogenous methodology of risk identification and assessment by all responsible divisions in the organization. As a result of the described process, the Repsol Group Risk Map was created, which includes financial reporting risks.

The identification of the principal risks that could affect the financial reporting objectives related to existence or occurrence, integrity, valuation and assignment, presentation and disclosure of operations, rights and obligations and which could therefore have a material impact on the reliability of the Group financial reporting leads to the development of a Risk Map of Financial Reporting, in which the various risks are grouped into the following categories:

- Definition of the general control environment
- Regulatory changes
- Valuations subject to analysis and complex estimates
- Capture, analysis, evaluation and recording of business transactions
- Preparation of consolidated financial statements
- Economic and financial information requirements

The risk of fraud in financial reporting, which is part of the inventory of financial reporting risks in the category of "General Control Environment" is analyzed precisely because of its relevance to the design, implementation and evaluation of the internal control model. This analysis is made taking account mainly of the references to consideration of fraud in risk assessment established within COSO 2013 ("Assesses Fraud Risk" Principle 8) and by the American Institute of Certified Public Accountants (AICPA) in its document "Consideration of Fraud in a Financial Statement Audit", Section 316 (Standard Auditing Statement 99). As a result of this analysis, the following categories of causal factors for financial reporting fraud risk have been defined:

- Inadequate control environment.
- Intentional error on the financial statements
- Asset misappropriation.

- Scope and updates

The process of identifying and evaluating financial reporting risks covers all financial reporting objectives related to existence or occurrence, integrity, valuation and assignment, presentation and disclosure of operations, and rights and obligations, that may have a significant impact on the reliability of the financial reporting.

Each of the aforementioned risk categories consists, in turn, of one or more specific risks, which are linked to the corresponding headings of the financial statements, the respective processes and to the different companies of the Group.

Lastly, the potential impact of each of the financial reporting risks is assessed, as well as the probability of their occurrence. From these two factors, the severity of each of the risks is established.

The risk inventory and the assessment of these risks in terms of impact and probability is reviewed on an annual basis in accordance with the Repsol Group's integrated risk management process, as indicated in Annex II regarding risks of the 2020 Consolidated Integrated Report.

- Process for identifying the scope of consolidation

There is a process in place for identifying changes in shareholding structure of Group companies. Once the changes are reported, the control structure is analyzed on the basis of the applicable accounting standards and principles in order to determine which consolidation method should be used for that company.

From the scope of consolidation and in coordination with the process of identification and regular updating of the inventory of financial reporting risks, a ICFR Scope Model is determined, along with the and companies that should be included in the scope on account of their relevance and materiality. This identification is made on the basis of both quantitative and qualitative criteria.

The determination of companies that are part of the model takes into account those in which control is exercised directly or indirectly. For these purposes, an investor is deemed to control an investee when it is exposed, or has rights, to variable returns from its involvement in the Group and has the ability to affect those returns through its power over the investee. Therefore, companies in which there is joint control are not included in the model, since the strategic decisions require the unanimous consent of the parties sharing control. However, controls are established in the model to ensure the homogeneity, validity and reliability of the financial information validated by them for incorporation into the consolidated financial statements.

- Other types of risks

In the process of identifying and evaluating financial reporting risk, the Repsol Group considers other types of risk that could have a relevant impact on the attainment of the organization's operational and strategic goals, such as compliance, insofar as these may have a significant effect on the preparation of financial statements.

- Body in charge of supervising the process

The Board of Directors reserves the power to approve the risk management and control policies, including financial reporting and tax risks, and to supervise internal information and control systems.

In accordance with the Board of Directors Regulations of Repsol, the Audit and Control Committee periodically reviews the efficiency of internal control, internal audit and risk management systems, including tax risks, so as to identify, manage and properly communicate the main risks.

The Executive Committee approves the governance elements required within the area of risk management, oversees their correct application and monitors the Company's performance in respect of risks.

The Internal Audit Unit is responsible for evaluating the design and operation of the Group's risk management systems.

Control activities

Procedures for reviewing and authorizing the financial information and description of the ICFR system

The Repsol Group has a system of Internal Control over Financial Reporting (ICFR) that allows it to meet the requirements established by the applicable regulations for listed companies.

The ICFR model is defined from the COSO (2013) methodological framework (Committee of Sponsoring Organizations of the Treadway Commission) contained in its report, Internal Control-Integrated Framework, for the purpose of ensuring that all transactions are properly accounted for in accordance with the accounting framework, providing reasonable assurance of the prevention or detection of errors that could have a material impact on the information in the consolidated financial statements. This financial reporting internal control model is organized around an integrated process that includes the five components developed in seventeen principles, as established in the COSO 2013 framework.

1. The existence of an adequate control environment.
2. The identification, analysis and assessment of risks
3. The definition and implementation of control activities to mitigate the identified risks.
4. Reporting and communication to facilitate understanding and the assumption of risk control responsibilities.
5. Supervision of system operations in order to evaluate their design, performance quality, adaptation, implementation and effectiveness.

The ICFR system is integrated in the organization through the establishment of structure of roles and responsibilities for the different bodies and functions, which are described in procedures that have been duly approved and distributed within the Group. In addition to what's indicated above regarding the processes for checking and authorization of financial reporting by the Board of Directors and the Audit and Control Committee, below are detailed the other governance bodies and organizational units of the Group assigned relevant roles on this matter:

- *Chief Executive Officer (CEO) and Chief Financial Officer (CFO).*

All owners of the controls comprising the ICFR system, in relation to compliance with the requirements established in terms of internal control, certify that all controls associated with processes and risks, of which they are owners, are in force at the closing of the fiscal year and operate properly on that date. This is an annual certification process that concludes with a certificate issued by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO).

- *Internal Transparency Committee:*

The purpose of the Internal Transparency Committee is to promote and strengthen the policies necessary to ensure that the information provided to shareholders, the markets and regulatory authorities is true and complete, adequately reflects the Company's financial position and the results of its operations and is presented in a timely manner and in accordance with the other requirements established in the standards and general principles for markets and good governance applied by the Company. This Committee provides support and assistance to the Chairman of the Board of Directors and the Chief Executive Officer.

According to the Regulations on the Internal Transparency Committee, it is assigned the following duties, among others:

- Supervising the establishment and maintenance of procedures for compiling the information to be published by the Company according to the applicable laws and regulations or which it reports generally to the markets, and all controls and procedures established to make sure that (i) the information is promptly and accurately recorded, processed, summarized and reported, and (ii) the information is compiled and reported to the Group's Senior Management, enabling them to decide in advance on the information that should be published, proposing such improvements as they may deem fit.

- Checking and assessing the accuracy, reliability, adequacy and clarity of the information contained in the documents to be presented publicly, especially any disclosures to be made to the regulating authorities and brokers on the securities markets in which the Company's shares are tradeMr.

The Internal Transparency Committee is made up of the heads of the units responsible for the economic, tax, legal, communication, strategy, audit and control, investor relations, corporate governance, reserves control, management control and planning, people and organization and the different business areas.

- *Business Units and Corporate Areas identified as "owners of the controls":*

Within the Group, the different Business Units and Corporate Areas identified as "owners of the controls" are those responsible for ensuring the validity, execution and adequate functioning of the controls associated therewith. Of these, the Units with an especially important role in the development, maintenance and functioning of the ICFR system are:

- The Unit that prepares the financial statements and economic-financial reporting, the inventory of controls and processes of the ICFR system required to guarantee the reliability of the financial information, without prejudice to those that may be added or rectified by the Audit, Control and Risks Division, as a result of its process of defining and assessing the Group ICFR system.

- The Unit that guarantees fulfillment of tax obligations, tax counseling, monitoring, evaluation and implementation of changes in law and regulations, identification, control, monitoring, assessment and management of tax risks, and tax information for the financial statements. Moreover, according to the Code of Best Tax Practices (Repsol signed the Code of Best Tax Practices on 23 September 2010), Law 31/2014, which amended the Corporate Enterprises Act for enhanced corporate governance, and the Repsol's Group Tax Policy, the Board of Directors, as part of its powers that may not be delegated regarding tax matters, verifies that the Company's tax policies are being properly applied on a yearly basis.

- The Unit that monitors, analyzes, reviews and interprets the accounting standards contained in the regulatory framework applicable to the Group.

- The Units that guarantee the efficient use of financial resources, optimization of financial earnings and an adequate monitoring and control of financial, market and credit risks so as to ensure the continuity and development of business plans.

- The Unit that establishes the criteria for defining the organizational structure and sizing of the Group and sets the guidelines and criteria governing development of the internal regulatory framework and defines the Annual Training Plan.

- The Unit that ensures that the estimates of the Group's proven reserves of hydrocarbons conform to the regulations issued by the different securities markets on which the Company's shares are listed, makes the internal audits of reserves, coordinates the certificates of the external auditors of reserves and assesses the quality controls regarding information on reserves.

- The Units responsible for legal and tax affairs in the Group, which provide legal counseling, legal defense and handling of its legal affairs in all contentious proceedings and processes, providing legal support for the Group's actions, rights and expectations with a view to giving them legal security and efficacy and minimizing possible legal risks.

- The Units that define the guidelines, criteria and indicators of management control monitors the business activities and the approved investments and oversees compliance with the commitments assumed, proposing corrective measures as needed.

- ***Processes, activities and controls***

The ICFR system documents basically comprise the following:

- Financial reporting risk map
- Scope model
- Documentation for processes through the ICFR system
- Inventory of controls identified in the different processes
- Outcome of assessing the design and functioning of the controls
- Certificates of validity and effectiveness of the controls issued for each financial year

The ICFR model is supported by a set of standards and procedures and is described in the Internal Control over Financial Reporting Manual.

The system of internal control over financial reporting is articulated through a process which, based on the identification and evaluation of financial reporting risks, defines a scope model that includes the most important headings in the financial statements, the companies affected, the relevant processes involved in preparing, reviewing and subsequently distributing the financial information and the control activities intended to prevent and detect potential errors, including fraud.

In order to define the companies involved, the first step is to update the list of consolidated companies. The ICFR includes operating controls for those companies that are directly or indirectly controlled by Repsol. For all other relevant non controlled companies not included in the scope of consolidation, it also includes controls designed to protect the homogeneity, validity and reliability of the financial information submitted by the companies for inclusion in the consolidated financial statements.

For each one of the relevant processes and companies included on the consolidation list, the significant financial reporting risks are identified along with the control activities to mitigate those risks.

The following controls are distinguished in the ICFR system:

- **Manuals**: those carried out by human actions, using computerized tools or applications.

- **Automatic**: those carried out with computerized tools or applications.

- **General computer controls**: those that reasonably guarantee the reliability, integrity, availability and confidentiality of the information contained in applications relevant to the financial reporting.

As well, these three types of controls are characterized as:

- **Preventive**: created to prevent errors or cases of fraud that could result in an error in the Repsol Group's financial reporting.

- **Detective:** their goal is to detect existing errors or cases of fraud that could result in an error in the Repsol Group's financial reporting.

- ***Relevant judgements, estimates, valuations and forecasts***

The financial reporting process sometimes requires making judgements and estimations e, which may affect the amount of assets and liabilities recognized the presentation of contingent assets and liabilities and the recognized income and expenses. These estimates may be affected, among other causes, by changes in competitive, economic, political, legal, regulatory, social, industrial, business and financial conditions.

In this regard, the Group identifies responsible areas and establishes uniform criteria for judgments, estimates and valuations in the processes considered relevant for the preparation of financial information. Specifically, and in accordance with that set forth in Note 3.5 "Accounting Estimates and judgements" of the Repsol Group's Consolidated Financial Statements for 2020, they include those relating to reserves of crude oil and gas, assessment of the investments in Venezuela, provisions for litigation, decommissioning and other contingencies, calculation of income tax and deferred tax assets and liabilities, impairment tests and the recoverable value of assets, and the market value of financial instruments. The results of these estimates are reported to the management and governance bodies of the Group.

In addition, the aforementioned bodies are regularly informed of any business affecting its business development and which could have a material effect on the Group's financial statements. It also periodically monitors the main variables which have or may have an impact, directly or through estimates and judgements, in quantifying assets, liabilities, income and expenses of the Group.

Internal control policies, regulations and procedures for financial information systems that support the relevant processes for the preparation and publication of the financial information.

The Repsol Group has a specific body of regulations in its IT Systems area based on ISO 27001, laying down the general principles for the different processes in that area.

Considering that the Group's transaction flows are mainly made through IT Systems, an Information Systems Control Framework, consisting of a set of controls called "general computer controls", has been established which reasonably guarantee the trustworthiness, integrity, availability and confidentiality of the information contained and processed in the relevant applications for financial reporting.

The systems linked to the process of preparing financial information conform to the security standards established in the regulations and are audited to ensure proper functioning of the Information Systems Control Framework by validating its constituent general computer controls.

These general computer controls grouped into the areas of: access security, life cycle systems, and process of assuring the validity of data and assurance operations, help to guarantee that several control targets are obtained within the ICFR system assessment, since they have the following features:

- Contribute towards ensuring the precision, accuracy and validity of the transactions executed in the applications, since they are integrated in the logics of those applications in order to prevent and/or detect unauthorized transactions.

- They are applied to the interfaces with other systems, in order to check that information input is complete and precise, and that output is correct.

The scope of the general computer controls covers applications relevant for financial reporting and infrastructure elements that serve these applications (e.g. technical platforms, servers, databases, data processing centers, etc.).

The Repsol Group has developed a segregation of duties model in the systems for preventing and reducing the risk of errors (intentional or otherwise), especially the fraud factor in the financial reporting process. Incompatibility matrices have been installed in the applications used by the relevant processes covered by the ICFR system, with which it is possible to monitor conflicts continuously and detect cases in which the functions are not exercised according to defined profiles. Once the conflicts have been identified, remediation plans are defined for them, aimed in some cases at adapting the security profiles and roles that cause these conflicts and in other cases at identifying and implementing mitigating controls that guarantee adequate coverage of the risks associated with these conflicts. Once the conflicts have been identified, remediation plans are defined, aiming, in some cases, to align the security profiles and roles that cause these conflicts and, in others, to identify and implement mitigating controls guaranteeing the adequate coverage of the risks associated with those conflicts.

Internal control policies and procedures for supervising management of the activities subcontracted to third parties and any aspects of assessment, calculation or valuation outsourced to independent experts, which may affect materially to the financial statements

The Repsol Group has a procedure for identifying, establishing control criteria and supervising the activities of third party subcontractors in different business processes. According to this procedure, the group analyzes the types of activities carried out by these suppliers and their impact and draws conclusions as to whether the activities have a material impact on the financial statements from the following perspectives:

- Significant transactions for the Group's financial statements.
- Manual or automated procedures for initiating, recording, processing or reporting significant transactions from the beginning until they are included in the financial statements.
- Manual or automatic accounting records that support the collection, recognition, processing and reporting of specific transactions, information or accounts on the Group's financial statements.
- Relevant information systems for capturing significant events and conditions for inclusion in the operating results and preparation of the financial statements.
- Financial reporting process used to prepare the financial statements, including the accounting estimates and the disclosure of significant information.

Once the subcontracted activities that can have a material effect on the financial statements have been identified, the internal controls of the services rendered are supervised to ensure their adequacy. In this regard, in accordance with the COSO 2013 methodology and ISA 402 (International Standard on Auditing), the Repsol Group adapts based on the characteristics of the supplier or third party subcontracted, carrying out supervision tasks based on the following approaches:

- Request independent auditors' reports from third party subcontractors to obtain relevant information on their internal control systems. Some examples of the reports include SOC (Service Organization Control) under Standard SSAE 16 of the American Institute of Certified Public Accountants (AICPA) or standard ISAE 3402 (International Standards on Assurance Engagements 3402).

- Understanding on the part of the user of the service of the nature of the service and identification of mitigating controls within the financial reporting process of the Repsol Group.

- Conduct independent evaluations of the supplier's internal control systems.

Information and communication

Units responsible for the accounting policies

The Group has a Unit responsible for monitoring, analyzing and reviewing the accounting principles and policies established in the regulatory framework that applies to the preparation of financial statements, analyzing and answering consultations on their interpretation and adequate application. The organizational units involved in preparing financial information are periodically informed of any new aspects of accounting techniques and regulations and the outcome of the different analyzes made.

There are also accounting principles manuals, which establish the accounting standards, policies and principles applied by the Group. These manuals are revised and updated periodically and whenever there is a material change in the applicable regulations. The manuals are available on the internal communication network.

In 2020, the Group's accounting manuals were updated as a result mainly of changes in International Financial Reporting Standards adopted by the European Union and of mandatory application from 1 January 2019.

Mechanisms for collecting and preparing financial information

The Group has integrated IT systems for both recognizing transactions in the accounts and preparing the separate and consolidated financial statements. It also has processes for centralized coding and parameterization processes which, together with the accounting principles manuals, guarantee the integrity and homogeneity of the information. Finally, there are also tools used for processing the information in order to obtain and prepare the breakdowns provided in the notes to the financial statements. The systems linked to the preparation and reporting of financial information meet the security standards established by the general computer controls defined for IT systems. (See section 8.2. of this report regarding the internal policies and procedures over information systems).

Supervision of the functioning of the system

Role of the Audit Committee, internal audit function, scope of ICFR assessment and action plans

According to the Board of Directors Regulations, the Audit and Control Committee is responsible for supervising the assessment and presentation, as well as the integrity of the financial information on the Company and the Group, checking compliance with legal provisions, adequate definition of the consolidated group and correct application of the accounting principles, and regularly checking the effectiveness of the internal control, internal audit and risk management systems, including tax risks, ensuring that the principal risks, are identified, managed and reported adequately.

The Audit and Control Committee also analyzes and approves, where appropriate, the annual planning of the Internal Audit Department and other occasional or specific additional plans required as a result of changes in legislation or the needs of the business organization of the Group.

The annual planning of the Internal Audit Department is structured to assess and supervise the correct functioning and adequacy of the Group's internal control and risk management systems (operational, strategic, financial and compliance).

The Audit, Control and Risks Division reports to the Audit and Control Committee and performs its duties established in international standards in line with the best market practices, as well as the requirements of the different regulatory frameworks applicable in the countries in which the Repsol Group has businesses and activities. It has a "Quality Assurance and Enhancement Plan", assessed regularly, to assure quality in its duties, the results of which are reported to the Audit and Control Committee.

The Audit, Control and Risks Division is responsible for seeing that the design and functioning of the Internal Control and Risk Management Systems in the Group are reasonable and adequate, contributing towards their improvement and covering the following control objectives:

- Any risks that may affect the organization are adequately identified, measured, prioritized and controlled in accordance with that established in the Risks Management Policy signed by the Board of Directors.
- Transactions are efficient and effective.
- Transactions are made in compliance of applicable laws, regulations and contracts and prevailing policies, rules or procedures.
- The assets are adequately protected and reasonably controlled.
- The most significant financial, management and operating information is prepared and reported adequately.

The Audit, Control and Risks Division reports to the Audit and Control Committee on the conclusions of all work performed, as well as the corrective measures proposed and the degree of compliance with these measures. This Division provides support for any significant irregularities, anomalies or non-compliance on the part of the audited units, reporting any cases that may entail a significant risk for the Group to the Board of Directors.

With regard to the System for Internal Control over Financial Reporting (ICFR), the Audit, Control and Risks Division provides support in the ICFR supervisory tasks carried out by the Board of Directors, the Audit and Control Committee and the Internal Transparency Committee and notifies the owners of the controls of any weakness or incident detected in the process of updating and assessing the ICFR system.

After the reporting date, the Audit, Control and Risks Division informs the Internal Transparency Committee, the Audit and Control Committee and the Board of Directors on the outcome of the ICFR system assessment and any defects found during the assessment.

The Audit, Control and Risks Division has assessed the effectiveness of the ICFR system corresponding to 2020, and did not find any significant or material weaknesses, concluding that it is effective, in accordance with the criteria established by COSO 2013.

Procedure for discussion with Senior Management, the Audit Committee and the Company's directors regarding any significant internal control weaknesses identified during the review processes and action plans

As indicated in a section below of this Report, the Audit, Control and Risks Division reports to the Audit and Control Committee on the conclusions of all work performed, as well as the corrective measures proposed and the degree of compliance with these measures.

One of the duties of the Audit and Control Committee is to establish appropriate relations with the External Auditor to receive regular information on the audit plan and the results of its implementation, and on any other issues concerning the audit process and corresponding rules and regulations. It also verifies that the management team bears in mind the recommendations made by the External Auditor.

The Audit and Control Committee also requires the External Auditor periodically, at least once a year, to assess the quality of the internal control procedures and systems and discuss with it any significant weaknesses detected during audit, and requests the External Auditor’s opinion on the effectiveness of the ICFR system. In this regard, the external auditor carried out its review of reasonable assurance on the design and effectiveness of the ICFR system for 2018 as well as the description of this system included in this Report.

External auditor’s report

The Group submitted for review by the External Audit (PricewaterhouseCoopers Auditores, S.L.) the design and effectiveness of the System of Internal Control over Financial Reporting (ICFR), in relation to the financial information contained in the Repsol Group's consolidated financial statements at December 31, 2020, and the description thereof included in this Report.

Appendix I: Analysis of compliance with the recommendations of the Good Governance Code for Listed Companies

Recommendation	Complies	Partially complies	Explanation	Not applicable
Recommendation 1 The bylaws of listed companies should not limit the maximum number of votes that may be cast by a single shareholder or impose other obstacles to the takeover of the company by means of share purchases on the market.	X			
Recommendation 2 When the listed company is controlled, pursuant to the meaning established in Article 42 of the Commercial Code, by another listed or non-listed entity, and has, directly or through its subsidiaries, business relationships with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to the activities of any of them, this is reported publicly, with specific information about: a) The respective areas of activity and possible business relationships between, on the one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries. b) The mechanisms in place to resolve any conflicts of interest.				X
Recommendation 3 During the annual general meeting, the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular: a) Changes taking place since the previous annual general meeting. b) The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.	X			

Recommendation	Complies	Partially complies	Explanation	Not applicable
Recommendation 4 The company should define and promote a policy for communication and contact with shareholders and institutional investors within the framework of their involvement in the company, as well as with proxy advisors, that complies in full with the rules on market abuse and gives equal treatment to shareholders who are in the same position. The company should make said policy public through its website, including information regarding the way in which it has been implemented and the parties involved or those responsible its implementation. Further, without prejudice to the legal obligations of disclosure of inside information and other regulated information, the company should also have a general policy for the communication of economic-financial, non-financial and corporate information through the channels it considers appropriate (media, social media or other channels) that helps maximise the dissemination and quality of the information available to the market, investors and other stakeholders.		X	In accordance with the provisions of the transitory provision of Circular 1/2020, of October 6, of the National Securities Market Commission ("Circular 1/2020"), which establishes the rules for the purpose of the duty to comply or explain in the annual corporate governance report for the year 2020, the following is indicated: • During the first half of 2020 the Company has fully complied with the recommendation. • In relation to the second half of 2020, it is noted that on February 17, 2021, the Company has adopted the corresponding resolutions to adapt its internal regulations and policies to the new wording of recommendation 4. In this regard, the Board of Directors has amended its previous "Policy on Communication and contacts with shareholders, institutional investors and proxy advisors" to adapt it to the recommendation and has replaced it with a new "Policy on Communication and contacts with shareholders, investors and proxy advisors, and disclosure of economic-financial, non-financial and corporate information" which is available on the corporate website (www.repsol.com).	
Recommendation 5 The board of directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emption rights for an amount exceeding 20% of capital at the time of such delegation. When a board approves the issuance of shares or convertible securities without pre-emption rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.	X			
Recommendation 6 Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory: a) Report on auditor’s independence. b) Reviews of the operation of the audit committee and the nomination and remuneration committee. c) Audit committee report on related party transactions.	X			

Recommendation	Complies	Partially complies	Explanation	Not applicable
Recommendation 7 The company should broadcast its general shareholders' meetings live on the corporate website. The company should have mechanisms that allow the delegation and exercise of votes by electronic means and even, in the case of large-cap companies and, to the extent that it is proportionate, attendance and active participation in the general shareholders' meeting.	X			
Recommendation 8 The audit committee should strive to ensure that the financial statements that the board of directors presents to the general shareholders' meeting are drawn up in accordance to accounting legislation. And in those cases where the auditors includes any qualification in its report, the chairman of the audit committee should give a clear explanation at the general meeting of their opinion regarding the scope and content, making a summary of that opinion available to the shareholders at the time of the publication of the notice of the meeting, along with the rest of proposals and reports of the board.	X			
Recommendation 9 The company should disclose its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website. Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.	X			
Recommendation 10 When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should: a) Immediately circulate the supplementary items and new proposals. b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the board of directors. c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or deductions about the direction of votes. d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.				X

Recommendation	Complies	Partially complies	Explanation	Not applicable
Recommendation 11 In the event that a company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.				X
Recommendation 12 The board of directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximizing its economic value. In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.	X			
Recommendation 13 The board of directors should have an optimal size to promote its efficient functioning and maximize participation. The recommended range is accordingly between five and fifteen members.	X			
Recommendation 14 The board of directors should approve a policy aimed at promoting an appropriate composition of the board that: a) is concrete and verifiable; b) ensures that appointment or re-election proposals are based on a prior analysis of the competences required by the board; and c) favours diversity of knowledge, experience, age and gender. Therefore, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity. The results of the prior analysis of competences required by the board should be written up in the nomination committee's explanatory report, to be published when the general shareholders' meeting is convened that will ratify the appointment and re-election of each director. The nomination committee should run an annual check on compliance with this policy and set out its findings in the annual corporate governance report.	X			

Recommendation	Complies	Partially complies	Explanation	Not applicable
Recommendation 15 Proprietary and independent directors should constitute an ample majority on the board of directors, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control. Further, the number of female directors should account for at least 40% of the members of the board of directors before the end of 2022 and thereafter, and not less than 30% previous to that.	X			
Recommendation 16 The percentage of proprietary directors out of all non-executive directors should be no greater than the proportion of the capital represented on the board by these directors to the remainder of the company's capital. This criterion can be relaxed: a) In large-cap companies where few or no equity stakes attain the legal threshold for significant shareholdings. b) In companies with a plurality of shareholders represented on the board but not otherwise related.	X			
Recommendation 17 The number of independent directors should be at least half of all board members. However, when the company does not have a large market capitalization, or when a large cap company has shareholders individually or concertedly controlling over 30% of capital, independent directors should occupy, at least, a third of board places.	X			
Recommendation 18 Companies should disclose the following director particulars on their websites and keep them regularly updated: a) Professional experience and background. b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature. c) Statement of the director category to which they belong, in the case of proprietary directors indicating the shareholder they represent or with whom they have ties. d) Dates of their first appointment as a board member and subsequent re-elections. e) Shares held in the company, and any options on the same.	X			

Recommendation	Complies	Partially complies	Explanation	Not applicable
Recommendation 19 Following verification by the Nomination Committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3% of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.				X
Recommendation 20 Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.	X			
Recommendation 21 The board of directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where they find just cause, based on a proposal from the Nomination Committee. In particular, just cause will be presumed when directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation. The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in recommendation 16.	X			

Recommendation	Complies	Partially complies	Explanation	Not applicable
Recommendation 22 Companies should establish rules obliging directors to disclose any circumstance that might harm the organisation's name or reputation, related or not to their actions within the company, and tendering their resignation as the case may be, and, in particular, to inform the board of any criminal charges brought against them and the progress of any subsequent trial. When the board is informed or becomes aware of any of the situations mentioned in the previous paragraph, the board of directors should examine the case as soon as possible and, attending to the particular circumstances, decide, based on a report from the nomination and remuneration committee, whether or not to adopt any measures such as opening of an internal investigation, calling on the director to resign or proposing his or her dismissal. The board should give a reasoned account of all such determinations in the annual corporate governance report, unless there are special circumstances that justify otherwise, which must be recorded in the minutes. This is without prejudice to the information that the company must disclose, if appropriate, at the time it adopts the corresponding measures.	X			
Recommendation 23 Directors should express their clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation. When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation. The terms of this recommendation also apply to the secretary of the board, even if he or she is not a director.				X
Recommendation 24 Directors who give up their position before their tenure expires, through resignation or resolution of the general meeting, should state the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for the general meeting resolution, in a letter to be sent to all members of the board. This should all be reported in the annual corporate governance report, and if it is relevant for investors, the company should publish an announcement of the departure as rapidly as possible, with sufficient reference to the reasons or circumstances provided by the director.	X			

Recommendation	Complies	Partially complies	Explanation	Not applicable
Recommendation 25 The Nomination Committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively. The board of directors regulations should lay down the maximum number of company boards on which directors can serve.	X			
Recommendation 26 The board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each director may propose the addition of initially unscheduled items.	X			
Recommendation 27 Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, directors should delegate their powers of representation with the appropriate instructions.	X			
Recommendation 28 When directors or the secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book if the person expressing them so requests.				X
Recommendation 29 The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.	X			
Recommendation 30 Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programs when circumstances so advise.	X			

Recommendation	Complies	Partially complies	Explanation	Not applicable
Recommendation 31 The agendas of board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need. For reasons of urgency, the chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly minuted, of the majority of directors present.	X			
Recommendation 32 Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.	X			
Recommendation 33 The chairman, as the person charged with the efficient functioning of the board of directors, in addition to the functions assigned by law and the company's bylaws, should prepare and submit to the board a schedule of meeting dates and agendas; organize and coordinate regular evaluations of the board and, where appropriate, the company's chief executive; exercise leadership of the board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each director, when circumstances so advise.	X			
Recommendation 34 When a lead independent director has been appointed, the bylaws or board of directors regulations should grant him or her the following powers over and above those conferred by law: chair the board of directors in the absence of the chairman or deputy chairmen; give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the chairman's succession plan.	X			
Recommendation 35 The board secretary should strive to ensure that the board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.	X			

Recommendation	Complies	Partially complies	Explanation	Not applicable
Recommendation 36 The board in plenary session should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in: a) The quality and efficiency of the board's operation. b) The performance and membership of its committees. c) The diversity of board membership and competences. d) The performance of the chairman of the board of directors and the company's chief executive. e) The performance and contribution of individual directors, with particular attention to the chairmen of board committees. The evaluation of board committees should start from the reports they send the board of directors, while that of the board itself should start from the report of the Nomination Committee. Every three years, the board of directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the Nomination Committee. Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the annual corporate governance report. The process followed and areas evaluated should be detailed in the annual corporate governance report.	X			
Recommendation 37 When there is an executive committee, there should be at least two nonexecutive members, at least one of whom should be independent; and its secretary should be the secretary of the board of directors.	X			
Recommendation 38 The board of directors should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all board members should receive a copy of the committee's minutes.	X			
Recommendation 39 All members of the audit committee, particularly its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters, both financial and non-financial.	X			

Recommendation	Complies	Partially complies	Explanation	Not applicable
Recommendation 40 Listed companies should have a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the board's non-executive chairman or the chairman of the audit committee.	X			
Recommendation 41 The head of the unit handling the internal audit function should present an annual work programme to the audit committee, for approval by this committee or the board, inform it directly of any incidents or scope limitations arising during its implementation, the results and monitoring of its recommendations, and submit an activities report at the end of each year.	X			

Recommendation	Complies	Partially complies	Explanation	Not applicable
Recommendation 42 The audit committee should have the following functions over and above those legally assigned: 1. With respect to internal control and reporting systems: a) Monitor and evaluate the preparation process and the integrity of the financial and non-financial information, as well as the control and management systems for financial and non-financial risks related to the company and, where appropriate, to the group – including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption – reviewing compliance with regulatory requirements, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles. b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the board of the priorities and annual work programme of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to (including reputational risk); receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports. c) Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance, including financial and accounting irregularities, or those of any other nature, related to the company, that they notice within the company or its group. This mechanism must guarantee confidentiality and enable communications to be made anonymously, respecting the rights of both the complainant and the accused party. d) In general, ensure that the internal control policies and systems established are applied effectively in practice. 2. With regard to the external auditor: a) Investigate the issues giving rise to the resignation of the external auditor, should this come about. b) Ensure that the remuneration of the external auditor does not compromise its quality or independence. c) Ensure that the company notifies any change of external auditor through the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same. d) Ensure that the external auditor has a yearly meeting with the board in plenary session to inform it of the work undertaken and developments in the company's risk and accounting positions. e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.		X	In accordance with the provisions of the transitory provision of Circular 1/2020, which establishes the rules for the purpose of the duty to comply or explain in the annual corporate governance report for the year 2020, the following is indicated: • During the first half of 2020 the Company has fully complied with the recommendation. • In relation to the second half of 2020, it is noted that on February 17, 2021 the Company has adopted the corresponding resolutions to adapt its internal regulations and policies to the new wording of recommendation 42. In this regard, the Board of Directors has amended, following a favorable report from the Audit and Control Committee, Article 34 of its Regulations in order to adapt them to the recommendation. The complete text of the Regulations of the Board of Directors is available on the corporate website (www.repsol.com).	

Recommendation	Complies	Partially complies	Explanation	Not applicable
Recommendation 43 The audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior manager.	X			
Recommendation 44 The audit committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyze the operation and report to the board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.	X			
Recommendation 45 Risk control and management policy should identify or establish at least: a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks, and risks relating to corruption), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks. b) A risk control and management model based on different levels, of which a specialised risk committee will form part when sector regulations provide or the company deems it appropriate. c) The level of risk that the company considers acceptable. d) The measures in place to mitigate the impact of identified risk events should they occur. e) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risks.		X	In accordance with the provisions of the transitory provision of Circular 1/2020, which establishes the rules for the purpose of the duty to comply or explain in the annual corporate governance report for the year 2020, the following is indicated: • During the first half of 2020 the Company has fully complied with the recommendation. • In relation to the second half of 2020, it is noted that the Company has adopted the corresponding resolutions to adapt its internal regulations and policies to the new wording of recommendation 45, on February 17, 2021. In this regard, the Board of Directors has modified, following a favorable report from the Audit and Control Committee, the "Risk Management Policy" in order to adapt it to the recommendation, which is available on the corporate website (www.repsol.com).	
Recommendation 46 Companies should establish an internal risk control and management function, performed by one of the company's internal units or departments, and under the direct supervision of the audit committee or, where applicable, some other dedicated board committee. This function should be expressly charged with the following responsibilities: a) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks to which the company is exposed are correctly identified, managed and quantified. b) Participate actively in the preparation of risk strategies and in key decisions about their management. c) Ensure that risk control and management systems are mitigating risks effectively within the framework of the policy defined by the board of directors.	X			

Recommendation	Complies	Partially complies	Explanation	Not applicable
Recommendation 47 Appointees to the appointments and remuneration committee – or of the Nomination Committee and the remuneration committee, if separately constituted – should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent directors.	X			
Recommendation 48 Large cap companies should operate separately constituted appointment and remuneration committees.	X			
Recommendation 49 The Nomination Committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors. When there are vacancies on the board, any director may approach the Nomination Committee to propose candidates that they might consider suitable.	X			
Recommendation 50 The remuneration committee should operate independently and have the following functions in addition to those assigned by law: a) Propose to the board the standard conditions for senior manager contracts. b) Monitor compliance with the remuneration policy set by the company. c) Periodically review the remuneration policy for directors and senior managers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior managers in the company. d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages. e) Verify the information on director and senior managers' pay contained in corporate documents, including the annual report on directors' remuneration.	X			
Recommendation 51 The remuneration committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors and senior managers.	X			

Recommendation	Complies	Partially complies	Explanation	Not applicable
Recommendation 52 The terms of reference of supervision and control committees should be set out in the board of directors regulations and aligned with those governing legally mandatory board committees as specified in the preceding sets of recommendations. They should include at least the following terms: a) Committees should be formed exclusively by non-executive directors, with a majority of independent directors. b) They should be chaired by independent directors. c) The board should appoint the members of such committees having regard to the knowledge, skills and experience of its directors and the remit of each committee, and discuss their proposals and reports; and the committees should report the business transacted and account for the work performed at the first board plenary session following each committee meeting. d) They may engage external advice, when they feel it necessary for the discharge of their functions. e) Meeting proceedings should be minuted and a copy made available to all board members.	X			
Recommendation 53 The task of supervising compliance with the policies and rules of the company in the environmental, social and corporate governance areas, and internal rules of conduct, should be assigned to one board committee or split between several, which could be the audit committee, the nomination committee, a committee specialised in sustainability or corporate social responsibility, or a dedicated committee established by the board under its powers of self organisation. Such a committee should be made up solely of non-executive directors, the majority being independent and specifically assigned the following minimum functions.	X			

Recommendation	Complies	Partially complies	Explanation	Not applicable
Recommendation 54 The minimum functions referred to in the previous recommendation are as follows: a) Monitor compliance with the company's internal codes of conduct and corporate governance rules, and ensure that the corporate culture is aligned with its purpose and values. b) Monitor the implementation of the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the entity communicates and relates with small and medium-sized shareholders should be monitored. c) Periodically evaluate the effectiveness of the company's corporate governance system and environmental and social policy, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders. d) Ensure the company's environmental and social practices are in accordance with the established strategy and policy. e) Monitor and evaluate the company's interaction with its stakeholder groups.	X			
Recommendation 55 Environmental and social sustainability policies should identify and include at least: a) The principles, commitments, objectives and strategy regarding shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conducts. b) The methods or systems for monitoring compliance with policies, associated risks and their management. c) The mechanisms for supervising non-financial risk, including that related to ethical aspects and business conduct. d) Channels for stakeholder communication, participation and dialogue. e) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.	X			
Recommendation 56 Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.	X			

Recommendation	Complies	Partially complies	Explanation	Not applicable
Recommendation 57 Variable remuneration linked to the company's profit and the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive directors. The company may consider the share-based remuneration of non-executive directors provided they retain such shares until the end of their mandate. The above condition will not apply to any shares that the director must dispose of to defray costs related to their acquisition.	X			
Recommendation 58 In the case of variable remuneration, remuneration policies should include limits and technical safeguards to ensure such remuneration reflects the professional performance of the beneficiaries and not simply the general performance of the markets or the company's sector or other similar circumstances. In particular, variable remuneration items should meet the following conditions: a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome. b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies. c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.	X			
Recommendation 59 The payment of the variable components of remuneration is subject to sufficient verification that previously established performance, or other, conditions have been effectively met. Entities should include in their annual directors' remuneration report the criteria relating to the time required and methods for such verification, depending on the nature and characteristics of each variable component. Additionally, entities should consider establishing a reduction clause ('malus') based on deferral for a sufficient period of the payment of part of the variable components that implies total or partial loss of this remuneration in the event that prior to the time of payment an event occurs that makes this advisable.	X			

Recommendation	Complies	Partially complies	Explanation	Not applicable
Recommendation 60 Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor’s report that reduce their amount.				X
Recommendation 61 A major part of executive directors’ variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.	X			
Recommendation 62 Following the award of shares, options or financial instruments corresponding to the remuneration schemes, executive directors should not be able to transfer their ownership or exercise them until a period of at least three years has elapsed. Except for the case in which the director maintains, at the time of the transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice his or her fixed annual remuneration through the ownership of shares, options or other financial instruments. The foregoing shall not apply to the shares that the director needs to dispose of to meet the costs related to their acquisition or, upon favourable assessment of the nomination and remuneration committee to address an extraordinary situation.	X			
Recommendation 63 Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the director’s actual performance or based on data subsequently found to be misstated.	X			

Recommendation	Complies	Partially complies	Explanation	Not applicable
Recommendation 64 Termination payments should not exceed a fixed amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria. For the purposes of this recommendation, payments for contractual termination include any payments whose accrual or payment obligation arises as a consequence of or on the occasion of the termination of the contractual relationship that linked the director with the company, including previously unconsolidated amounts for long-term savings schemes and the amounts paid under post-contractual non-compete agreements.		X	In accordance with the provisions of the transitory provision of Circular 1/2020, which establishes the rules for the purpose of the duty to comply or explain in the annual corporate governance report for the year 2020, the following is indicated: • During the first half of 2020 the Company has fully complied with the recommendation. • In relation to the second half of 2020, it should be noted that since 2014, termination indemnities for executive directors are limited to two annual payments of their fixed and annual variable remuneration, including the remuneration of the post-contractual non-competition agreement for one year. Notwithstanding the foregoing, with the new wording of recommendation 64, other amounts whose accrual or payment obligation arises as a consequence or on the occasion of the termination of the contractual relationship linking the director with the company should also be computed within the limit of two annual payments, even though such amounts are not compensatory in nature. In this regard, the Company is analyzing the possible measures to be adopted with respect to the settlement of such amounts in order to adapt to the new wording of the recommendation.	

Repsol, S.A.

Independent reasonable assurance report
on the design and effectiveness of the
Internal Control over Financial Reporting (ICFR)
as at December 31, 2020

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 reasonable assurance report on the design and effectiveness of the Internal Control over Financial Reporting (ICFR)

To the Board of Directors of Repsol, S.A.:

We have carried out a reasonable assurance report of the design and effectiveness of the Internal Control over Financial Reporting (hereinafter, ICFR) and the description of it that is included in the attached Report that forms part of the corresponding section of the Annual Corporate Governance Report of the Directors Report accompanying the consolidated financial statements of Repsol, S.A. and investees comprising the Repsol Group (hereinafter, the Repsol Group) as at December 31, 2020. This system is based on the criteria and policies defined by the Repsol Group in accordance with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its "Internal Control-Integrated Framework" report.

An Internal Control over Financial Reporting is a process designed to provide reasonable assurance over the reliability of financial information in accordance with the applicable financial reporting framework and includes those policies and procedures that: (i) enable the records reflecting the transactions performed to be kept accurately and with a reasonable level of detail; (ii) provide reasonable assurance as to the proper recognition of transactions to make it possible to prepare the financial information in accordance with the accounting principles and standards applicable to it and that they are made only in accordance with established authorizations; and (iii) provide reasonable assurance in relation to the prevention or timely detection of unauthorised acquisitions, use or sales of the Group's assets that could have material effect on the financial information.

Inherent Limitations

In this regard, it should be borne in mind that, given the inherent limitations of any Internal Control over Financial Reporting, regardless of the quality of the design and operation of the system, it can only allow reasonable, but not absolute security, in relation to the objectives it pursues, which may lead to errors, irregularities or fraud that may not be detected. On the other hand, the projection to future periods of the evaluation of internal control is subject to risks such that said internal control being inadequate as a result of future changes in the applicable conditions, or that in the future the level of compliance of the established policies or procedures may be reduced.

Director's responsibility

The Directors of Repsol, S.A. are responsible for taking the necessary measures to reasonably ensure the implementation, maintenance and supervision of an appropriate Internal Control over Financial Reporting, as well as the evaluation of its effectiveness, the development of improvements to that system and the preparation and establishment of the content of the information relating to the ICFR attached.

R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290

Our Responsability

Our responsibility is to issue a reasonable assurance report on the design and effectiveness of the Repsol Group Internal Control over Financial Reporting, based on the work we have performed and on the evidence we have obtained. We have performed our reasonable assurance engagement in accordance with “International Standard on Assurance Engagements 3000 (ISAE 3000)” (Revised), "Assurance Engagements other than Auditing or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

A reasonable assurance report includes the understanding of the Internal Control over Financial Reporting, assessing the risk of material weaknesses in the internal control, that the controls are not properly designed or they do not operate effectively, the execution of tests and evaluations on the design and effective implementation of this ICFR, based on our professional judgment, and the performance of such other procedures as may be deemed necessary.

We believe that the evidence we have obtained provides a sufficient and adequate basis for our opinion.

Our Independence and Quality Control

We have complied with the independence requirements and other ethical requirements of the Accounting Professionals Code of Ethics issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our firm applies the “International Standard on Quality Control 1 (ISQC 1)” and maintains an exhaustive qualitative control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory provisions.

Opinion

In our opinion, the Repsol Group maintained, as at December 31, 2020, in all material respects, an effective Internal Control over Financial Reporting for the period ended at December 31, 2020, which is based on the criteria and the policies defined by the Repsol Group’s management in accordance with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its "Internal Control-Integrated Framework 2013" report.

In addition, the attached description of the ICFR Report as at December 31, 2020 has been prepared, in all material respects, in accordance with the requirements established by article 540 of the Consolidated Text of the Capital Companies Act and with the Circular 5/2013 of June 12, 2013 of the CNMV, as amended by CNMV Circular No. 7/2015 dated December 22, 2015, CNMV Circular No. 2/2018 dated June 12, 2018, and CNMV Circular No.1/2020 dated October 6, 2020, for the purposes of the description of the ICFR in the Annual Reports of Corporate Governance.

This work does not constitute an audit nor is it subject to the regulations governing the audit activity in force in Spain, so we do not express any audit opinion in the terms provided in the aforementioned regulations.

PricewaterhouseCoopers Auditores, S.L.

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2.5.4.4=GOIRIENA BASUALDU

Public key:
RSA/2048 bits

Iñaki Goiriena Basualdu

February 18, 2021

Mr. Luis Suárez de Lezo Mantilla, Secretary of the Board of Directors of Repsol, S.A.

I certify: That the preceding pages contain the Consolidated Financial Statements and the Consolidated Management Report of Repsol, S.A. as its subsidiaries for the fiscal year ended December 31, 2020, as approved by its Board of Directors on February 17, 2021, following which this page was signed by the members of the Board of Directors at the date of such approval.

The members of the Board of Directors of Repsol, S.A. declare that, to the best of their knowledge, the Consolidated Financial Statements for the fiscal year ended on December 31, 2020, approved at its meeting held on February 17, 2021 and prepared in accordance with applicable accounting principles, fairly present the equity, financial position and results of Repsol, S.A., and the companies that form part of consolidation taken as a whole, and that the Consolidated Management Report includes a fair depiction of the development and business results and the financial position of Repsol, S.A., and the companies that form part of the consolidation taken as a whole, together with a description of its principal risks and uncertainties.

Mr. Antonio Brufau Niubó *Chairman*	Mr. Manuel Manrique Cecilia *Vice Chariman*
Mr. Josu Jon Imaz San Miguel *CEO*	Ms. María Teresa Ballester Fornés *Director*
Mr. Rene Dahan *Director*	Ms. Aránzazu Estefanía Larrañaga *Director*
Ms. María del Carmen Ganyet i Cirera *Director*	Ms. María Teresa García-Milà Lloveras *Director*
Mr. José Manuel Loureda Mantiñán *Director*	Mr. Ignacio Martín San Vicente *Director*
Mr. Mariano Marzo Carpio *Director*	Mr. Henri Philippe Reichstul *Director*
Ms. Isabel Torremocha Ferrezuelo *Director*	Mr. J. Robinson West *Director*
Mr. Luis Suárez de Lezo Mantilla *Director and Secretary*	

The Secretary of the Board of Directors also certifies that Mr. Manuel Manrique Cecilia, Ms. María Teresa Ballester Fornés, Mr. Rene Dahan, Ms. Aránzazu Estefanía Larrañaga, Ms. María del Carmen Ganyet i Cirera, Ms. María Teresa García-Milà Lloveras, Mr. José Manuel Loureda Mantiñán, Mr. Mariano Marzo Carpio, Mr. Henri Philippe Reichstul, Ms. Isabel Torremocha Ferrezuelo y Mr. J. Robinson West, who, given the regulatory restrictions imposed due to the Covid-19, attended to the meeting of the Board of Directors held on February 17, 2021 by videoconference, has not signed this document. However, the Board minutes will include the vote in favor of all the member of the Board of Directors to the approval of the Consolidated Financial Statements and the Consolidated Management Report of Repsol, S.A. and its subsidiaries for the fiscal year ended December 31, 2020.

Mr. Luis Suárez de Lezo Mantilla
Director and Secretary