

Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

ESG Risk Rating

22.2

Updated Feb 15, 2021

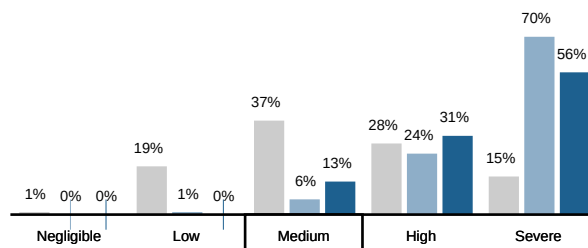
+2.1

Momentum

Medium Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1 st = lowest risk)	PERCENTILE (1 st = lowest risk)
Global Universe	3745/13563	28th
Oil & Gas Producers INDUSTRY	3/280	2nd
Integrated Oil & Gas SUBINDUSTRY	1/52	1st

Peers Table

Peers (Market cap \$14.0 - \$16.6bn)

	Exposure	Management	ESG Risk Rating
1. Repsol, S.A.	70.9 High	81.1 Strong	22.2 Medium
2. OMV AG	72.1 High	71.9 Strong	28.1 Medium
3. Imperial Oil Ltd	74.5 High	65.2 Strong	33.4 High
4. Surgutneftegas PJSC	66.5 High	30.6 Average	49.2 Severe
5. Oil and Natural Gas Corporation Limited	75.0 High	32.7 Average	54.2 Severe

Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

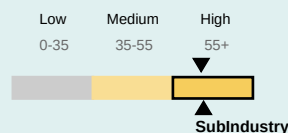
70.9

+0.4

High

Momentum

Beta = 0.97



The FY2015 acquisition of Talisman Energy expanded Repsol's upstream operations globally, increasing the company's exposure risk to accidental spills and air releases. Moreover, many of its employees face notable health and safety risks due to labour-intensive operations and prolonged exposure to hazardous elements. If management this issue is inadequate, severe accidents can cause injuries, illnesses, and even fatalities, which could disrupt the company's operations. Additionally, given that Repsol generates most of its revenues through its downstream segment, the gradual decline of global demand for fossil fuels presents transitional risks to the company. While natural gas account for 64% of Repsol's upstream portfolio, it exposes the company to risks relating methane leaks or gas flaring, though when burnt for power generation, it pollutes relatively less than oil or coal.

The company's overall exposure is high and is similar to subindustry average. Occupational Health and Safety, Carbon -Products and Services and Emissions, Effluents and Waste are notable material ESG issues.

Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices, and policies.

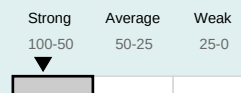
ESG Risk Management

81.1

-3.4

Strong

Momentum



Repsol showcases clear initiatives and targets to reduce its overall carbon footprint. It is one of the first companies in the oil and gas industry to set a target of net-zero emissions by 2050. By FY2025 and beyond, it also plans to increase its low-carbon generation capacity to a total of 7.5 GW in Spain, double its production of biofuels from vegetable oils, and begin producing green hydrogen in its refining business. Moreover, the remuneration of its top officials is linked to GHG reduction targets, creating strong incentives for the company to deliver on its commitments. It has also made the circular economy its priority to minimize and reuse waste. Concerning safety management, the company appears to provide strong oversight over the health and safety of its employees and contractors. It has not been implicated in major safety-related controversies in the past several years.

The company's overall management of material ESG issues is strong.

Repsol, S.A.

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Material ESG Issues

These are the Material ESG Issues driving the ESG Risk Rating.

Issue Name	ESG Risk Exposure	ESG Risk Management	ESG Risk Rating	Contribution to ESG Risk Rating
	Score Category	Score Category	Score Category	
Carbon -Products and Services	9.0 High	95.0 Strong	3.9 Low	17.5%
Corporate Governance	9.0 High	64.2 Strong	3.2 Low	14.6%
Occupational Health and Safety	7.6 Medium	74.7 Strong	3.1 Low	13.8%
Emissions, Effluents and Waste	9.5 High	77.2 Strong	2.9 Low	13.1%
Community Relations	8.4 High	78.0 Strong	2.5 Low	11.3%
Carbon -Own Operations	8.5 High	95.0 Strong	2.0 Low	9.2%
Bribery and Corruption	7.0 Medium	100.0 Strong	1.4 Negligible	6.3%
Business Ethics	3.0 Low	58.0 Strong	1.3 Negligible	6.1%
Human Capital	5.0 Medium	80.0 Strong	1.2 Negligible	5.4%
Resource Use	2.0 Low	86.3 Strong	0.6 Negligible	2.8%
Land Use and Biodiversity	1.9 Low	100.0 Strong	0.0 Negligible	0.0%
Overall	70.9 High	81.1 Strong	22.2 Medium	100.0%

Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

5 Severe (0)

4 High (0)

3 Significant (0)

2 Moderate (3)

Anti-Competitive Practices

Community Relations

Society - Human Rights

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Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

Low (6)

Accounting and Taxation

Business Ethics

Carbon Impact of Products

Emissions, Effluents and Waste

Energy Use and GHG Emissions

Occupational Health and Safety

None (8)

Bribery and Corruption

Employees - Human Rights

Intellectual Property

Labour Relations

Land Use and Biodiversity

Lobbying and Public Policy

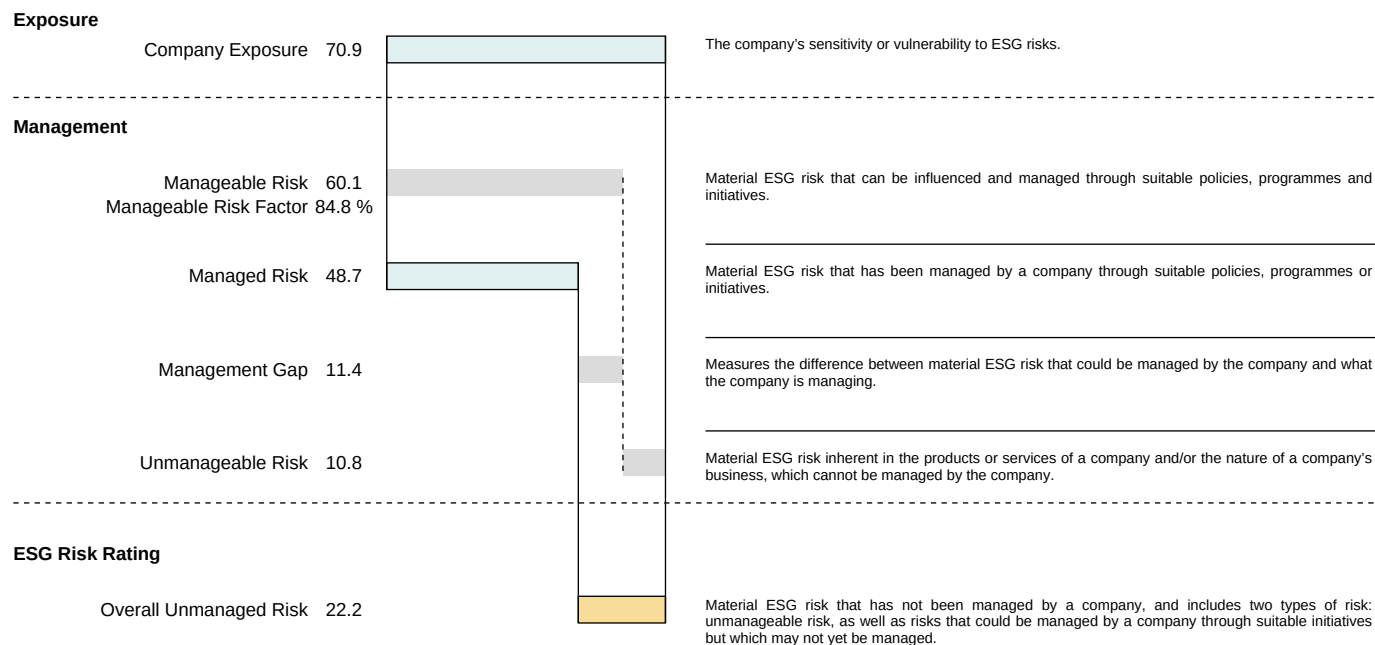
Sanctions

Water Use

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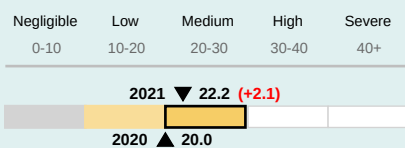
Risk Decomposition



Momentum Details

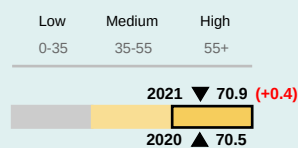
Rating Momentum

+2.1



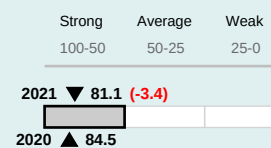
Exposure Momentum

+0.4



Management Momentum

-3.4



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Issue

Contribution 17.5 %



Carbon - Products and Services

Carbon - Products and Services refers to a company's management of the energy efficiency and/or GHG emissions of its services and products during the use phase.

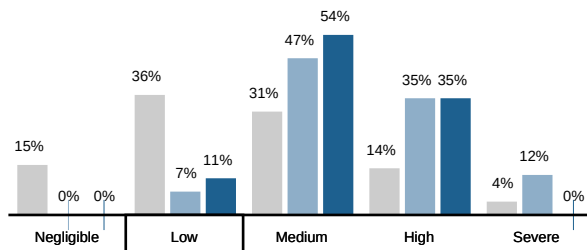
ESG Risk Rating

3.9

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = lowest risk)
Global Universe	309/631	49th
Oil & Gas Producers INDUSTRY	6/101	6th
Integrated Oil & Gas SUBINDUSTRY	4/37	9th

Peers Table

Peers (Market cap \$14.0 - \$16.6bn)

	Exposure	Management	ESG Risk Rating
1. Repsol, S.A.	9.0 High	95.0 Strong	3.9 Low
2. OMV AG	9.0 High	86.3 Strong	4.3 Medium
3. Imperial Oil Ltd	9.5 High	66.0 Strong	5.7 Medium
4. Surgutneftegas PJSC	8.1 High	21.0 Weak	7.1 High
5. Oil and Natural Gas Corporation Limited	9.0 High	31.0 Average	7.3 High

Repsol, S.A.

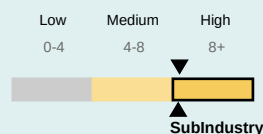
Integrated Oil & Gas Spain MCE:REP

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

9.0
High



Repsol's emissions related to the consumption and use of its products account for roughly 90% of the company's total GHG emissions (214 MtCO₂e in FY2019). These emissions drive high the company's exposure to carbon risks. Notably, as Repsol generates most of its revenue through its downstream business, it is increasingly exposed to transitional risks associated with the declining demand for carbon-intensive fuels. Therefore, the company needs to adapt to the shifting consumer demand to build a competitive advantage over its competitors.

The company's exposure to Carbon -Products and Services issues is high and similar to subindustry average.

Exposure Analysis

Subindustry Issue Exposure	9.0
Issue Beta	x 1.00
Company Issue Exposure	9.0

Beta Indicators

Beta Signal

Carbon Impact of Products	0.01
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Stranded Assets	0.00
Carbon Solutions Offering	0.15
Qualitative Overlay	0.00
Subindustry Correction Factor	-0.18
Exceptional Event Adjustment	0.00
Total Beta Signal	0.00
Baseline	+1.00
Overall Beta	1.00

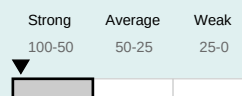
Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

95.0
Strong



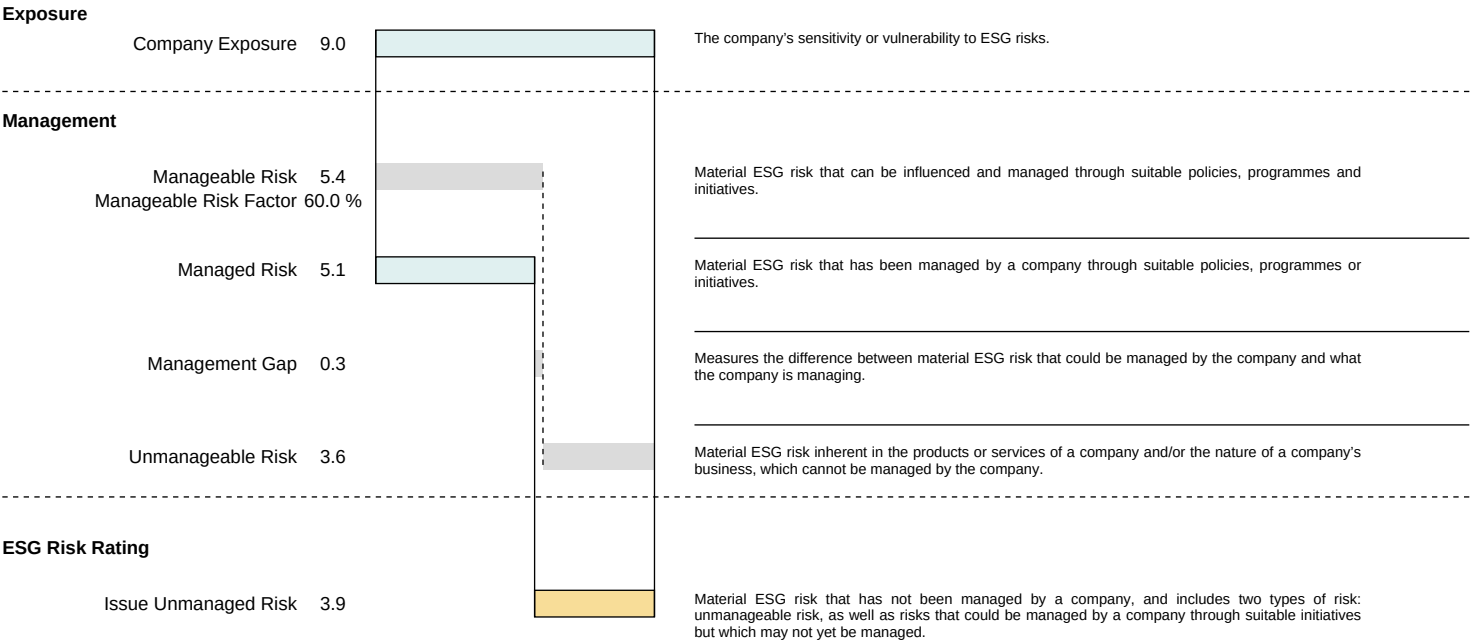
The company provides extensive reports on transitional risks, including the responsibilities of its board of directors, executive committee, and various divisions that oversees climate change-related risks. The remuneration of the company's CEO and top officials depends partly on GHG emissions targets. For instance, it aims to link at least 40% of managers' long-term variable pay and 25% of the CEO's annual variable pay to its emissions reduction targets. Moreover, strong evidence suggests that Repsol is reducing its portfolio's carbon intensity, with a new target to increase low-carbon electricity generation capacity to 7,500 megawatts by 2025. The company has strong commitments to renewable energy compared to its peers, showing alignment with the Paris agreement. Repsol is also planning to expand its production of biofuels, targeting 600,000 tons per year by 2030. The company has above average preparedness measures to address Carbon -Products and Services issues and has been implicated in minor controversies related to the issue. In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Carbon Intensity	100	14.3%	14.3
Carbon Intensity Trend	100	14.3%	14.3
GHG Reduction Programme	100	28.5%	28.5
GHG Risk Management	100	38.0%	38.0
 Carbon Impact of Products	Category 1	5%	0.0
Weighted Sum			95.0

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Risk Decomposition



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Issue

Contribution 14.6 %



Corporate Governance

Corporate Governance represents foundational structures for the management of ESG risks.

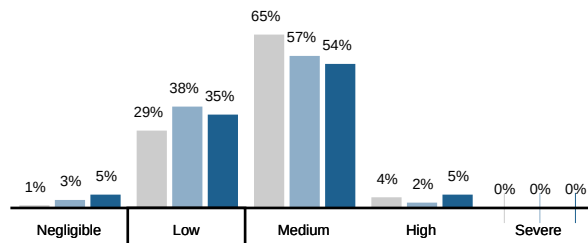
ESG Risk Rating

3.2

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1 st = lowest risk)	PERCENTILE (1 st = lowest risk)
Global Universe	266/4407	7th
Oil & Gas Producers INDUSTRY	9/103	9th
Integrated Oil & Gas SUBINDUSTRY	5/37	12th

Peers Table

Peers (Market cap \$14.0 - \$16.6bn)

	Exposure	Management	ESG Risk Rating
1. Repsol, S.A.	9.0 High	64.2 Strong	3.2 Low
2. OMV AG	9.0 High	55.1 Strong	4.0 Medium
3. Imperial Oil Ltd	9.0 High	53.0 Strong	4.2 Medium
4. Oil and Natural Gas Corporation Limited	9.0 High	32.1 Weak	6.1 High
5. Surgutneftegas PJSC	9.0 High	27.5 Weak	6.5 High

Repsol, S.A.

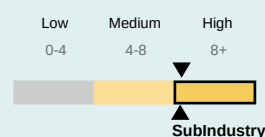
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ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

9.0
High

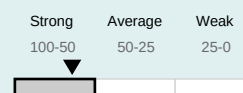


The quality and integrity of the company's board and management, its ownership structure and shareholder rights are identified as the highest weighted governance areas of focus. The company is publicly traded, which leads to heightened scrutiny of its governance practices and increases the importance of governance structures, practices and behaviour. This translates into high exposure to baseline Corporate Governance risk.

Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

64.2
Strong



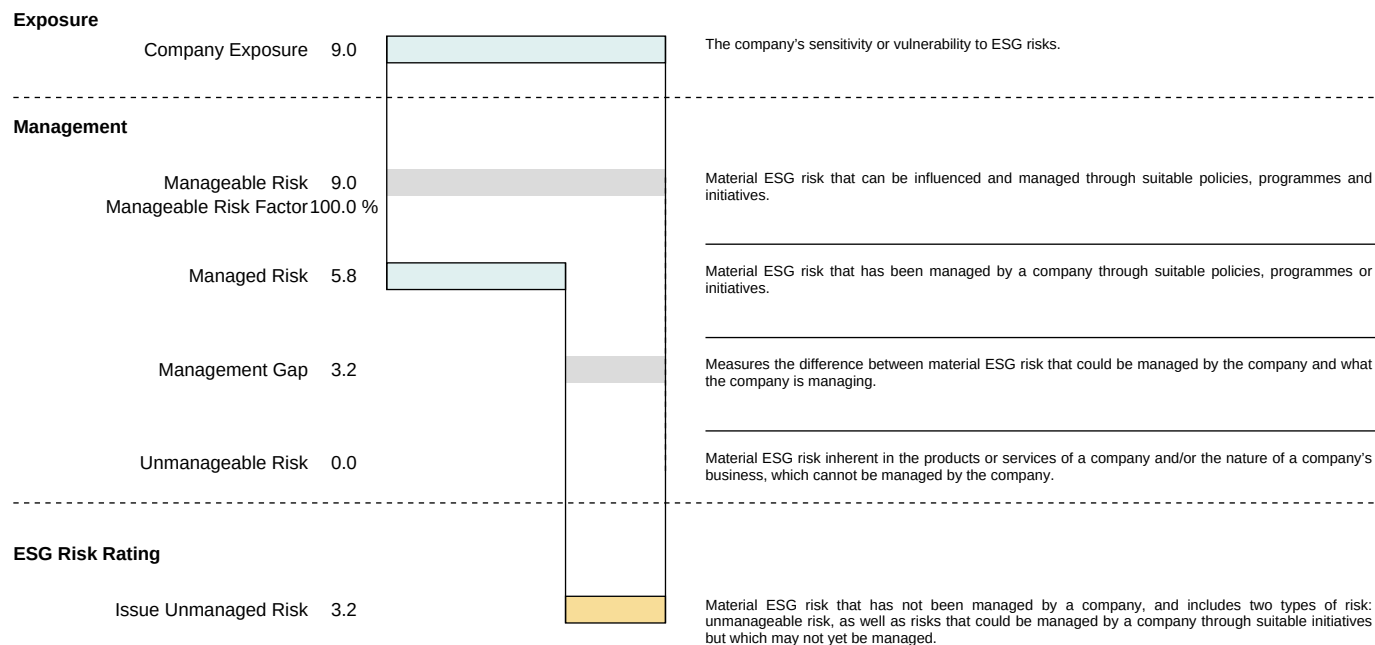
The company is noted for showing particular strength in its board structure, its ownership structure/shareholder rights, its remuneration systems, its audit and financial performance systems and its stakeholder governance. It has average management of its other governance pillar. Overall, we rate the company's corporate governance management as strong.

Corporate Governance Pillars	Raw Score	Weight	Weighted Score
Board/Management Quality & Integrity	52	25.0%	13.0
Board Structure	73	17.0%	12.4
Ownership & Shareholder Rights	59	25.0%	14.8
Remuneration	63	17.0%	10.7
Audit & Financial Reporting	69	8.0%	5.5
Stakeholder Governance	97	8.0%	7.8
Totals		100.0%	64.2

Repsol, S.A.

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Risk Decomposition



Repsol, S.A.

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Issue

Contribution 13.8 %



Occupational Health and Safety

Occupational Health and Safety focuses on the management of workplace hazards affecting a company's own employees and on-site contractors. Where relevant, it may also include HIV/AIDS programmes.

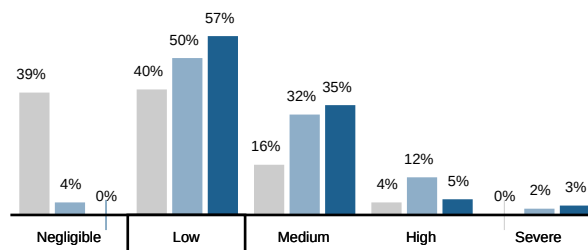
ESG Risk Rating

3.1

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1 st = lowest risk)	PERCENTILE (1 st = lowest risk)
Global Universe	1331/1958	68th
Oil & Gas Producers INDUSTRY	27/101	27th
Integrated Oil & Gas SUBINDUSTRY	10/37	26th

Peers Table

Peers (Market cap \$14.0 - \$16.6bn)

	Exposure	Management	ESG Risk Rating
1. Imperial Oil Ltd	7.2 Medium	78.1 Strong	2.7 Low
2. Repsol, S.A.	7.6 Medium	74.7 Strong	3.1 Low
3. OMV AG	7.6 Medium	71.8 Strong	3.2 Low
4. Oil and Natural Gas Corporation Limited	7.6 Medium	51.6 Strong	4.5 Medium
5. Surgutneftegas PJSC	7.6 Medium	23.4 Weak	6.2 High

Repsol, S.A.

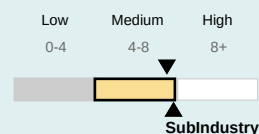
Integrated Oil & Gas Spain MCE:REP

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

7.6
Medium



With over 75% of its workforce working at its downstream division, refining operations and processing units drive high the company's exposure to health and safety risks. Workplace accidents such as explosions, fires, and exposure to hazardous materials can lead to severe injuries, illnesses, or even fatalities, which may disrupt operations. In the upstream, the most significant risks that its workforce faces are blowouts and physical hazards from handling critical equipment. Repsol may also face lawsuits, increased compensation costs, and regulatory penalties as a result of safety issues.

The company's exposure to Occupational Health and Safety issues is medium and similar to subindustry average.

Exposure Analysis

Subindustry Issue Exposure	8.0
Issue Beta	x 0.95
Company Issue Exposure	7.6

Beta Indicators

Beta Signal

Occupational Health and Safety	0.01
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Headquarters Location	-0.02
Assets Location	-0.05
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	-0.05
Baseline	+1.00
Overall Beta	0.95

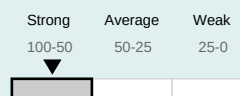
Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

74.7
Strong



Based on disclosure, the company has a strong health and safety management system and emergency response programmes. It also evaluates the safety performance and management systems of contractors as part of its prescreening process. Moreover, 70% of the Repsol's main facilities and 51% of the auxiliary centers (service stations, commercial subsidiaries, and marine terminals) have been verified by OHSAS 18001 and ISO 45001. However, while it did not report any fatalities amongst its employees between FY2017 and FY2019, it reported three fatalities amongst its contractors. Additionally, the company's lost-time injury rate increased by approximately 13% in FY2019 compared to the average of the previous three years. The increase in lost-time injury rate and contractor fatalities could suggest that gaps in the company's management of safety issues may exist.

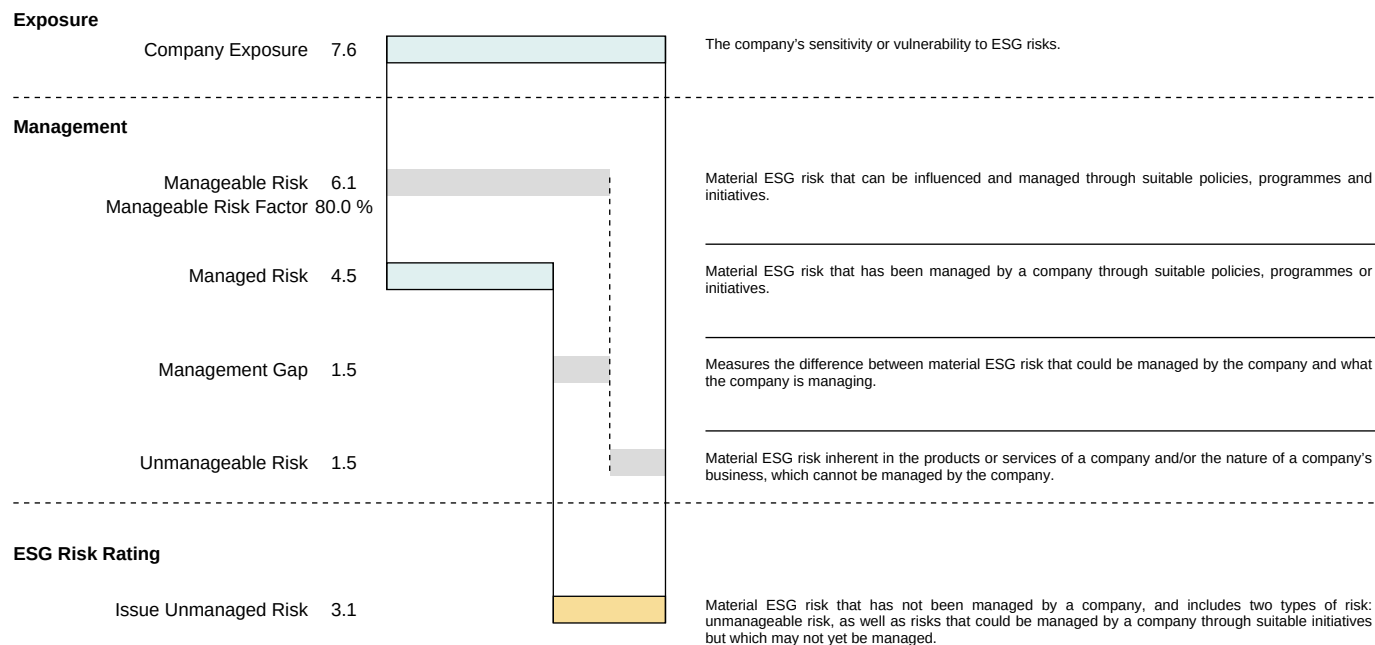
The company has above average preparedness measures to address Occupational Health and Safety issues and has been implicated in minor controversies related to the issue. In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Contractor Safety Programme	100	21.4%	21.4
Emergency Response Programme	100	11.9%	11.9
Employee Fatality Rate	100	7.1%	7.1
Health and Safety Management	100	26.1%	26.1
Contractor Fatalities	75	7.1%	5.3
Health & Safety Certifications	40	7.1%	2.9
LTIR Trend	0	14.3%	0.0
 Occupational Health and Safety	Category 1	5%	0.0
Weighted Sum			74.7

Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Risk Decomposition



Repsol, S.A.

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Issue

Contribution 13.1 %



Emissions, Effluents and Waste

Emissions, Effluents and Waste focuses on the management of emissions and releases from a company's own operations to air, water and land, excluding GHG emissions.

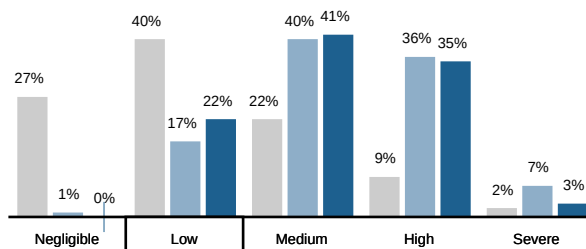
ESG Risk Rating

2.9

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1 st = lowest risk)	PERCENTILE (1 st = lowest risk)
Global Universe	751/1597	48th
Oil & Gas Producers INDUSTRY	5/103	5th
Integrated Oil & Gas SUBINDUSTRY	4/37	9th

Peers Table

Peers (Market cap \$14.0 - \$16.6bn)

	Exposure	Management	ESG Risk Rating
1. OMV AG	9.5 High	86.1 Strong	2.1 Low
2. Repsol, S.A.	9.5 High	77.2 Strong	2.9 Low
3. Imperial Oil Ltd	11.0 High	68.9 Strong	4.2 Medium
4. Surgutneftegas PJSC	9.0 High	47.0 Average	5.2 Medium
5. Oil and Natural Gas Corporation Limited	9.5 High	37.8 Average	6.3 High

Repsol, S.A.

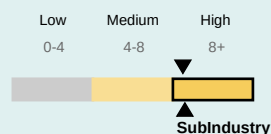
Integrated Oil & Gas Spain MCE:REP

ESG Risk Analysis

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ESG Risk Exposure

9.5
High



As an integrated company, Repsol faces numerous environmental risks ranging from hazardous air emissions to the disposal of wastewater. In the downstream, refining operations notably exposes the company to risks relating to air emissions like NOx, SOx, and VOC, as well as to spills caused by damaged pipes, storage tanks, and drainage systems. In the upstream, the most significant risk that Repsol face is accidental spills due to blowouts, notably if it occurs in areas rich in biodiversity. The company may face significant fines and liabilities if these risks are not effectively managed.

The company's exposure to Emissions, Effluents and Waste issues is high and similar to subindustry average.

Exposure Analysis

Subindustry Issue Exposure	10.0
Issue Beta	x 0.95
Company Issue Exposure	9.5

Beta Indicators

Beta Signal

Emissions, Effluents and Waste	0.01
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Headquarters Location	-0.02
Assets Location	-0.05
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	-0.05
Baseline	+1.00
Overall Beta	0.95

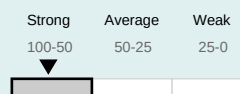
Repsol, S.A.

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Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

77.2
Strong



Repsol has strong management of both routine and accidental release of emissions, effluents, and waste. The majority of its environmental management systems have been certified by ISO 14001. The company strives to minimize waste production by focusing on the circular economy as a tool to use resources efficiently. The company's NOx, SOx, and VOC emissions decreased by approximately 3.5%, 9.9%, and 11.5%, respectively, between FY2017 and FY2019. Concerning spills, however, the volume of hydrocarbons spilled by the company was 79 metric tons in FY2019, which is an increase of 22% compared to the average of the previous four years. Given that the company appears to have strong emergency response programmes, the company would likely be able to limit the environmental risks and impacts of a major spill, should one occur.

The company has above average preparedness measures to address Emissions, Effluents and Waste issues and has been implicated in minor controversies related to the issue. In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Effluent Management	100	23.8%	23.8
Emergency Response Programme	100	16.6%	16.6
EMS Certification	100	7.1%	7.1
Environmental Management System	100	7.1%	7.1
Environmental Policy	100	7.1%	7.1
Offshore Well Management	100	7.1%	7.1
Non-GHG Air Emissions Programmes	50	7.1%	3.6
Oil Spill Disclosure & Performance	25	19.0%	4.8
 Emissions, Effluents and Waste	Category 1	5%	0.0
Weighted Sum			77.2

Repsol, S.A.

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Risk Decomposition

Exposure

Company Exposure 9.5

The company's sensitivity or vulnerability to ESG risks.

Management

Manageable Risk 8.6
Manageable Risk Factor 90.0 %

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

Managed Risk 6.6

Material ESG risk that has been managed by a company through suitable policies, programmes or initiatives.

Management Gap 2.0

Measures the difference between material ESG risk that could be managed by the company and what the company is managing.

Unmanageable Risk 0.9

Material ESG risk inherent in the products or services of a company and/or the nature of a company's business, which cannot be managed by the company.

ESG Risk Rating

Issue Unmanaged Risk 2.9

Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives but which may not yet be managed.

Repsol, S.A.

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Issue

Contribution 11.3 %



Community Relations

Community Relations focuses on how companies engage with local communities (including indigenous peoples) through both positive initiatives and mitigation of negative impacts.

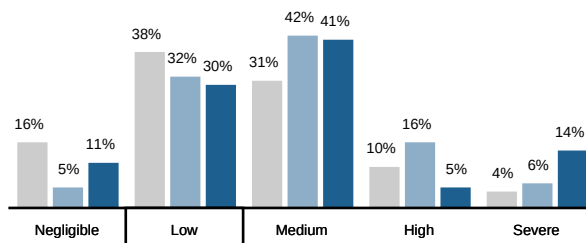
ESG Risk Rating

2.5

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1 st = lowest risk)	PERCENTILE (1 st = lowest risk)
Global Universe	195/803	25th
Oil & Gas Producers INDUSTRY	12/101	12th
Integrated Oil & Gas SUBINDUSTRY	7/37	18th

Peers Table

Peers (Market cap \$14.0 - \$16.6bn)

	Exposure	Management	ESG Risk Rating
1. OMV AG	8.4 High	80.8 Strong	2.3 Low
2. Repsol, S.A.	8.4 High	78.0 Strong	2.5 Low
3. Imperial Oil Ltd	8.8 High	61.5 Strong	3.9 Low
4. Surgutneftegas PJSC	7.2 Medium	30.0 Average	5.3 Medium
5. Oil and Natural Gas Corporation Limited	11.2 High	6.2 Weak	10.6 Severe

Repsol, S.A.

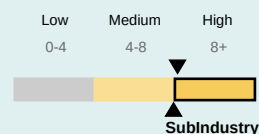
Integrated Oil & Gas Spain MCE:REP

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

8.4
High



The impacts of oil and gas development often lead to friction with adjacent communities, especially when the region does not have a history of hydrocarbon development. Competition for the use of natural resources such as water or land, nuisances created by industrial activity next to populated areas, perceived risks related to health, safety, security or the environment, and/or disputes arising from negative impacts caused by operations can all lead to community tensions. Community resistance at the local and national level has put pressure on practices such as hydraulic fracturing or hydrocarbon extraction in the Arctic Region. When a large proportion of a community is against hydrocarbon development, opposition is articulated in the form of protests, blockades and legal challenges that can delay or prevent the development of an operation. Factors influencing exposure include the proximity of communities to extraction sites, the social stability of the region, and the effect of a particular industrial activity on the nature of the community. Therefore, companies that carry out projects that highly disrupt ecosystems (such as oil sands mining operations), operate near indigenous communities or operate in regions characterized by conflict, lack of security, political instability or cultural clashes have a high degree of exposure to community disputes. Failure to disclose projected impacts and address community concerns prior to and during operations may result in companies losing their social licence to operate, which can result in security costs, project modification costs and loss of productivity as result of temporary shutdowns. Operations may be permanently closed in cases where conflicts have escalated over time. Although most jurisdictions mandate some level of community consultation, the United Nations Guiding Principles on Business and Human Rights and the International Finance Corporation's Performance Standards have emerged as best practices that management can deploy to structure communication, record grievances, and provide conflict resolution.

The company's exposure to Community Relations issues is high and similar to subindustry average.

Exposure Analysis

Subindustry Issue Exposure	8.0
Issue Beta	x 1.05
Company Issue Exposure	8.4

Beta Indicators

Beta Signal

Community Relations	0.02
Society - Human Rights	0.02
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	0.05
Baseline	+1.00
Overall Beta	1.05

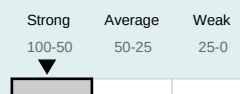
Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

78.0
Strong



The company has above average preparedness measures to address Community Relations issues and has been implicated in minor controversies related to the issue. In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Community Development	100	24.0%	24.0
Community Involvement Programmes	100	32.0%	32.0
Human Rights Policy	100	16.0%	16.0
Indigenous Rights Policy	75	8.0%	6.0
 Community Relations	Category 2	10%	0.0
 Society - Human Rights	Category 2	10%	0.0
Weighted Sum			78.0

Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Risk Decomposition

Exposure

Company Exposure 8.4

The company's sensitivity or vulnerability to ESG risks.

Management

Manageable Risk 7.6

Manageable Risk Factor 90.0 %

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

Managed Risk 5.9

Material ESG risk that has been managed by a company through suitable policies, programmes or initiatives.

Management Gap 1.7

Measures the difference between material ESG risk that could be managed by the company and what the company is managing.

Unmanageable Risk 0.8

Material ESG risk inherent in the products or services of a company and/or the nature of a company's business, which cannot be managed by the company.

ESG Risk Rating

Issue Unmanaged Risk 2.5

Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives but which may not yet be managed.

Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Issue

Contribution 9.2 %



Carbon - Own Operations

Carbon - Own Operations refers to a company's management of risks related to its own operational energy use and GHG emissions (scope 1 and 2). It also includes parts of Scope 3 emissions.

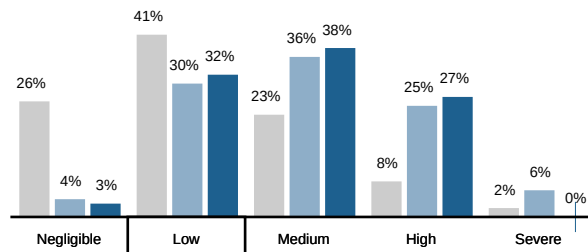
ESG Risk Rating

2.0

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1 st = lowest risk)	PERCENTILE (1 st = lowest risk)
Global Universe	663/2420	28th
Oil & Gas Producers INDUSTRY	5/101	5th
Integrated Oil & Gas SUBINDUSTRY	2/37	4th

Peers Table

Peers (Market cap \$14.0 - \$16.6bn)

	Exposure	Management	ESG Risk Rating
1. Repsol, S.A.	8.5 High	95.0 Strong	2.0 Low
2. OMV AG	8.5 High	84.3 Strong	2.8 Low
3. Imperial Oil Ltd	10.0 High	54.4 Strong	5.6 Medium
4. Surgutneftegas PJSC	8.5 High	28.9 Average	6.5 High
5. Oil and Natural Gas Corporation Limited	9.5 High	36.3 Average	6.7 High

Repsol, S.A.

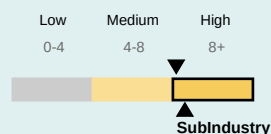
Integrated Oil & Gas Spain MCE:REP

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

8.5
High



Oil and Gas production is carbon intensive, generating roughly one tenth of global GHG emissions even before the point of sale. Integrated Oil and Gas companies are among the largest companies globally, and are major emitters of GHGs throughout the exploration, production and refining processes. Emissions are particularly high from certain oil and gas production processes, as well as upgrading and refining. For example, companies involved in oil sands, extra heavy oil, or coal-to-liquids generally have significantly higher carbon intensities than companies focused on gas or lighter conventional crudes. In the post-COP21 environment, sectors with high levels of emissions, such as Integrated Oil and Gas, are likely to be subject to some form of carbon pricing in a number of jurisdictions. Those companies whose production processes result in the highest emissions, as well as companies operating in regions where carbon pricing regulation is more likely to occur, are more highly exposed to any future carbon pricing, though exposure also depends on production costs and the overall financial health of the business. More carbon-intensive assets will incur greater costs as a result of any form of carbon pricing, putting these assets at a greater risk of becoming uneconomical to exploit. Though companies already face some financial risks associated with GHG emissions in the form of fines and penalties associated with regulatory compliance issues or major gas releases, to date these have been minimal. However, as future carbon regulations are expected to have significant effects, best practice involves proactive management of GHG risks, including the integration of market and regulatory risks associated with carbon pricing into regular risk assessment and strategy, as well as detailed reporting on contingency plans.

The company's exposure to Carbon -Own Operations issues is high and moderately below subindustry average.

Exposure Analysis

Subindustry Issue Exposure	10.0
Issue Beta	x 0.85
Company Issue Exposure	8.5

Beta Indicators

Beta Signal

Energy Use and GHG Emissions	0.01
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Carbon Emissions	-0.10
Stranded Assets	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	-0.08
Exceptional Event Adjustment	0.00
Total Beta Signal	-0.15
Baseline	+1.00
Overall Beta	0.85

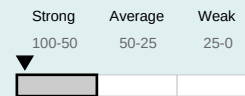
Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

95.0
Strong



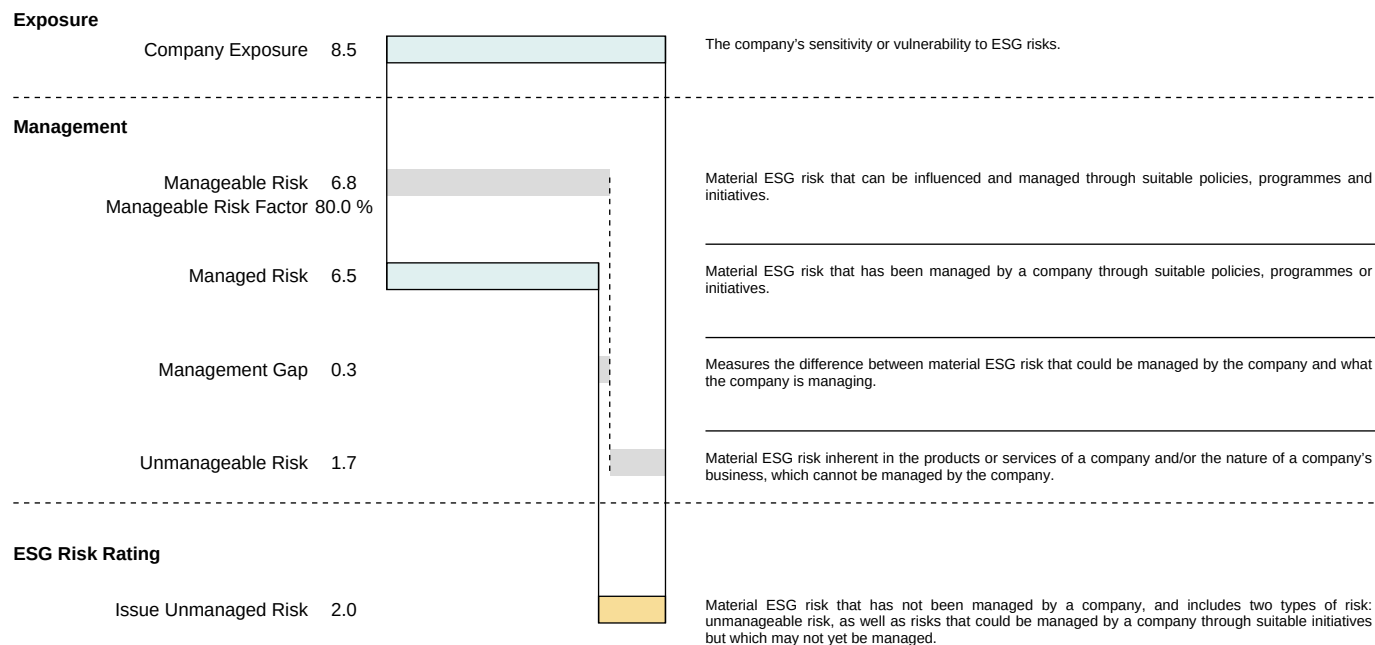
The company has above average preparedness measures to address Carbon -Own Operations issues and has been implicated in minor controversies related to the issue. In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Carbon Intensity	100	11.9%	11.9
Carbon Intensity Trend	100	11.9%	11.9
EMS Certification	100	4.8%	4.8
Environmental Management System	100	7.1%	7.1
Environmental Policy	100	7.1%	7.1
GHG Reduction Programme	100	23.8%	23.8
GHG Risk Management	100	16.6%	16.6
Scope of GHG Reporting	100	11.9%	11.9
 Energy Use and GHG Emissions	Category 1	5%	0.0
Weighted Sum			95.0

Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Risk Decomposition



Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Issue

Contribution 6.3 %



Bribery and Corruption

Bribery and Corruption focuses on the management of risks related to illicit payments, such as kickbacks or bribes to government officials or business partners, and the receipt of those payments.

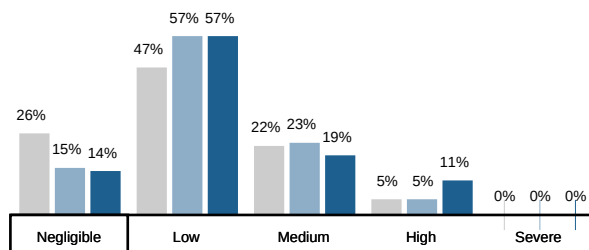
ESG Risk Rating

1.4

Negligible Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1 st = lowest risk)	PERCENTILE (1 st = lowest risk)
Global Universe	85/738	12th
Oil & Gas Producers INDUSTRY	3/87	3rd
Integrated Oil & Gas SUBINDUSTRY	1/37	1st

Peers Table

Peers (Market cap \$14.0 - \$16.6bn)

	Exposure	Management	ESG Risk Rating
1. Repsol, S.A.	7.0 Medium	100.0 Strong	1.4 Negligible
2. Imperial Oil Ltd	6.7 Medium	79.4 Strong	2.4 Low
3. OMV AG	7.4 Medium	69.4 Strong	3.3 Low
4. Surgutneftegas PJSC	6.3 Medium	29.4 Average	4.8 Medium
5. Oil and Natural Gas Corporation Limited	7.7 Medium	32.1 Average	5.7 Medium

Repsol, S.A.

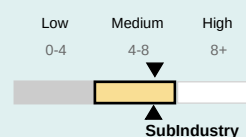
Integrated Oil & Gas Spain MCE:REP

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

7.0
Medium



The extraction of hydrocarbons requires that Integrated Oil and Gas companies interact with government officials, as states typically hold mineral rights and oversee regulatory approvals and permitting. These interactions involve large fund transfers and often occur in countries where bribery is endemic, such as those ranked lowest on Transparency International's Corruption Perceptions Index. This context creates situations in which companies may offer facilitation payments to advance project development on-site. At the national level, in order to secure contracts, companies may become involved in complex bribery schemes and create shell company structures that benefit government officials. Because such arrangements are often long-term and widespread, their consequences when revealed can be major. For instance, as a result of Brazil's "Operation Car Wash" bribery investigation, billions of dollars in assets have been impaired by implicated companies, and some executives have faced years of jail time. The outsourcing of construction projects adds another potential source of corruption, especially when state-owned companies are the tenderers. The increasing sophistication of civil society organizations in exposing corruption cases, as well as stricter enforcement of anti-corruption laws by US and EU regulatory bodies, has resulted in greater litigation costs, fines, settlements and loss of revenue-generating activities. Companies with activities in some African countries, such as Angola, Nigeria, Algeria and Libya, are particularly vulnerable to potential corruption. In order to address these issues, anti-corruption initiatives should be linked to the risk management infrastructure of companies. Best practices include management structures to carry out due diligence prior to entering new regions and establishing clear behavioural guidelines, as well as monitoring systems and ensuring accountability up to the management level. For effective on-the-ground implementation, such management systems are best deployed when employees are regularly trained, particularly those in a position to obtain contracts for the company, and when employees are given reliable mechanisms to report irregularities and to receive counsel on ethical dilemmas.

The company's exposure to Bribery and Corruption issues is medium and similar to subindustry average.

Exposure Analysis

Subindustry Issue Exposure	7.0
Issue Beta	x 1.00
Company Issue Exposure	7.0

Beta Indicators

Beta Signal

Bribery and Corruption	0.00
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Regional Corruption	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	0.00
Baseline	+1.00
Overall Beta	1.00

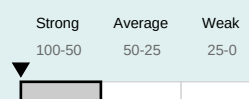
Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

100.0
Strong



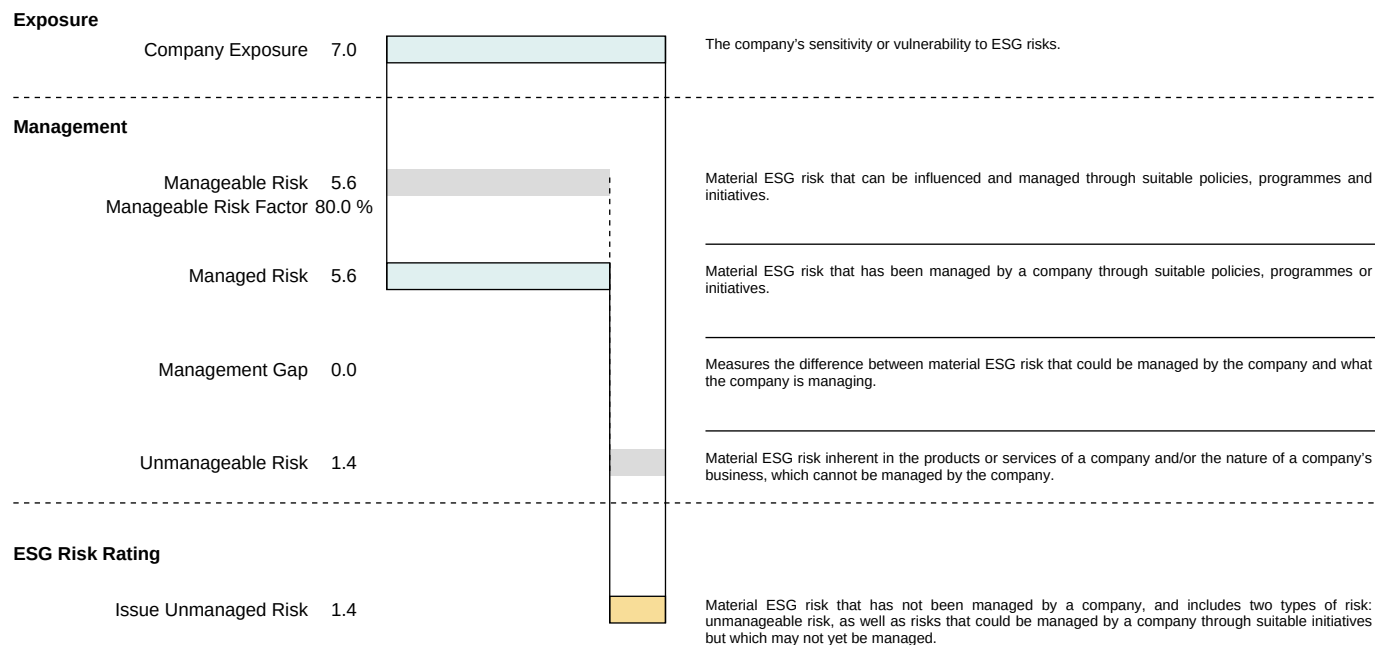
In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Bribery & Corruption Policy	100	27.5%	27.5
Bribery & Corruption Programmes	100	45.0%	45.0
Political Involvement Policy	100	5.0%	5.0
Transparency on Government	100	5.0%	5.0
Whistleblower Programmes	100	17.5%	17.5
 Bribery and Corruption	Category 0	0%	0.0
Weighted Sum			100.0

Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Risk Decomposition



Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Issue

Contribution 6.1 %



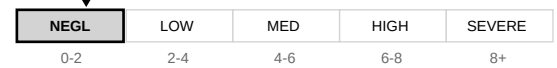
Business Ethics

Business Ethics focuses on the management of ethical considerations applicable to most or all sectors, such as taxation and accounting, anti-competitive practices and intellectual property issues.

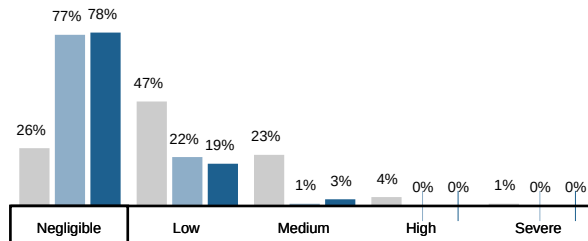
ESG Risk Rating

1.3

Negligible Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1 st = lowest risk)	PERCENTILE (1 st = lowest risk)
Global Universe	399/4031	11th
Oil & Gas Producers INDUSTRY	33/102	32nd
Integrated Oil & Gas SUBINDUSTRY	11/37	29th

Peers Table

Peers (Market cap \$14.0 - \$16.6bn)

	Exposure	Management	ESG Risk Rating
1. Imperial Oil Ltd	2.7 Low	68.1 Strong	1.0 Negligible
2. Repsol, S.A.	3.0 Low	58.0 Strong	1.3 Negligible
3. OMV AG	3.0 Low	45.7 Average	1.7 Negligible
4. Surgutneftegas PJSC	2.7 Low	29.8 Average	1.9 Negligible
5. Oil and Natural Gas Corporation Limited	2.7 Low	29.8 Average	1.9 Negligible

Repsol, S.A.

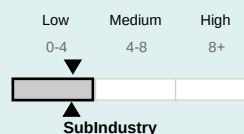
Integrated Oil & Gas Spain MCE:REP

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

3.0
Low



For Integrated Oil and Gas companies, Business Ethics issues include mainly anti-competitive practices and tax issues. These companies often have dominant market share or operate in countries with heavy government involvement in the industry. This environment, combined with their control of the entire value chain of hydrocarbon production, means that Integrated Oil and Gas companies have greater power to fix prices or suppress competition than less diversified competitors. Fines for significant price fixing commonly range in the tens of millions of dollars, but can reach into the billions. Penalties tend to be higher for anti-competitive practices across state borders; for instance, the EU has been particularly aggressive in pursuing litigation against Russian hydrocarbon producers. Such disputes can focus on pricing contracts for gas and oil supplies, or in more downstream segments, price collusion on specific finished commodities, such as paraffin wax or jet fuel. Most integrated companies also face large tax burdens and complex taxation frameworks due to the number of countries in which they operate. Additionally, their role as revenue generators for host countries gives them a powerful bargaining position when negotiating tax arrangements. As a result, companies often design tax strategies to minimize costs, utilizing tax havens, transfer pricing or intra-group financing. In recent years, regulatory risks have escalated in both competition and tax issues, as the European Commission and the OECD have started to modify regulations in order to ensure competition and minimize tax avoidance. Additionally, some civil society organizations have grown in sophistication and efficiency and have uncovered cases of unethical tax behaviour by oil and gas corporations. Increased costs for companies come in the form of unplanned back taxes, as well as penalties imposed by tax authorities. Including regulatory risk assessments and robust whistleblower protection as core elements of a company's overall risk management efforts can help to limit involvement in anti-competitive practices. In terms of taxes, more progressive companies have begun disclosing standalone tax policy statements in which they commit to not engage in aggressive tax planning.

The company's exposure to Business Ethics issues is low and similar to subindustry average.

Exposure Analysis

Subindustry Issue Exposure	3.0
Issue Beta	x 1.00
Company Issue Exposure	3.0

Beta Indicators

Beta Signal

Accounting and Taxation	0.01
Anti-Competitive Practices	0.02
Business Ethics	0.01
Intellectual Property	0.00
Lobbying and Public Policy	0.00
Sanctions	0.00
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	-0.05
Exceptional Event Adjustment	0.00

Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

Beta Indicators	Beta Signal
Total Beta Signal	0.00
Baseline	+1.00
Overall Beta	1.00

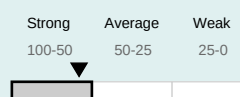
Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

58.0
Strong



The company has above average preparedness measures to address Business Ethics issues and has been implicated in minor controversies related to the issue. In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Political Involvement Policy	100	22.0%	22.0
Transparency on Government	100	12.0%	12.0
Whistleblower Programmes	100	24.0%	24.0
Lobbying and Political Expenses	0	22.0%	0.0
 Anti-Competitive Practices	Category 2	10%	0.0
 Accounting and Taxation	Category 1	5%	0.0
 Business Ethics	Category 1	5%	0.0
 Intellectual Property	Category 0	0%	0.0
 Lobbying and Public Policy	Category 0	0%	0.0
 Sanctions	Category 0	0%	0.0
Weighted Sum			58.0

Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Risk Decomposition

Exposure

Company Exposure 3.0

The company's sensitivity or vulnerability to ESG risks.

Management

Manageable Risk 2.9

Manageable Risk Factor 95.0 %

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

Managed Risk 1.7

Material ESG risk that has been managed by a company through suitable policies, programmes or initiatives.

Management Gap 1.2

Measures the difference between material ESG risk that could be managed by the company and what the company is managing.

Unmanageable Risk 0.2

Material ESG risk inherent in the products or services of a company and/or the nature of a company's business, which cannot be managed by the company.

ESG Risk Rating

Issue Unmanaged Risk 1.3

Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives but which may not yet be managed.

Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Issue

Contribution 5.4 %



Human Capital

Human Capital focuses on the management of risks related to scarcity of skilled labour as well as labour relations, such as non-discrimination, working hours and minimum wages.

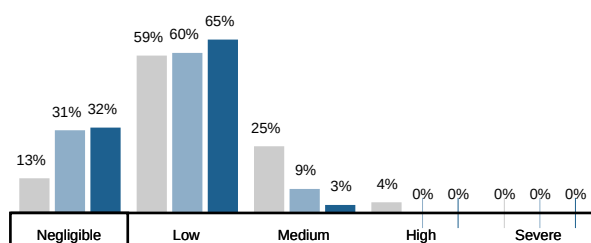
ESG Risk Rating

1.2

Negligible Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1 st = lowest risk)	PERCENTILE (1 st = lowest risk)
Global Universe	82/4169	3rd
Oil & Gas Producers INDUSTRY	6/103	6th
Integrated Oil & Gas SUBINDUSTRY	2/37	4th

Peers Table

Peers (Market cap \$14.0 - \$16.6bn)

	Exposure	Management	ESG Risk Rating
1. Repsol, S.A.	5.0 Medium	80.0 Strong	1.2 Negligible
2. Imperial Oil Ltd	4.8 Medium	68.8 Strong	1.6 Negligible
3. OMV AG	5.3 Medium	58.4 Strong	2.3 Low
4. Oil and Natural Gas Corporation Limited	4.8 Medium	34.3 Average	3.2 Low
5. Surgutneftegas PJSC	4.5 Medium	26.5 Average	3.4 Low

Repsol, S.A.

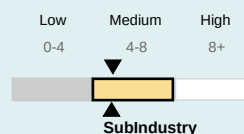
Integrated Oil & Gas Spain MCE:REP

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

5.0
Medium



Integrated Oil and Gas companies face the challenge of attracting and retaining geologists, engineers and fieldworkers capable of technically difficult work in conditions that are often remote and physically demanding. The growth in the exploration and production of unconventional fossil fuels has raised the importance of attracting and retaining employees with specialized skills in areas such as subsea engineering, drilling supervision and hydraulic fracture modelling. Additionally, a large percentage of employees are expected to retire over the next several years, aggravating a shortage in specialized, experienced personnel. Finally, the subindustry is increasingly depending on contract labour, due to cost pressures and the need for specialized expertise that cannot be met in-house. For some companies in the sector, the number of hours worked by contractors now exceeds that of full-time employees. Weak management of Human Capital development can lead to inconsistent maintenance and processes, leading to operational delays and increased downtime. Exposure to Human Capital issues varies by resource complexity (such as onshore vs. offshore development) as well as reliance on contractors. Integrated Oil and Gas companies tend to be involved in the most sophisticated and capital-intensive types of hydrocarbon extraction, such as those targeting deepwater offshore reserves, and have a higher need for specialized employees than smaller exploration companies. With daily costs exceeding USD 1 million for some offshore rigs, costs associated with mechanical downtime or unexpected delays can average several hundred thousand dollars a day. Strong Human Capital management is key to keeping downtime and projects delays to a minimum.

The company's exposure to Human Capital issues is medium and similar to subindustry average.

Exposure Analysis

Subindustry Issue Exposure	5.0
Issue Beta	x 1.00
Company Issue Exposure	5.0

Beta Indicators

Beta Signal

Labour Relations	0.00
Employees - Human Rights	0.00
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	0.00
Baseline	+1.00
Overall Beta	1.00

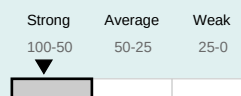
Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

80.0
Strong



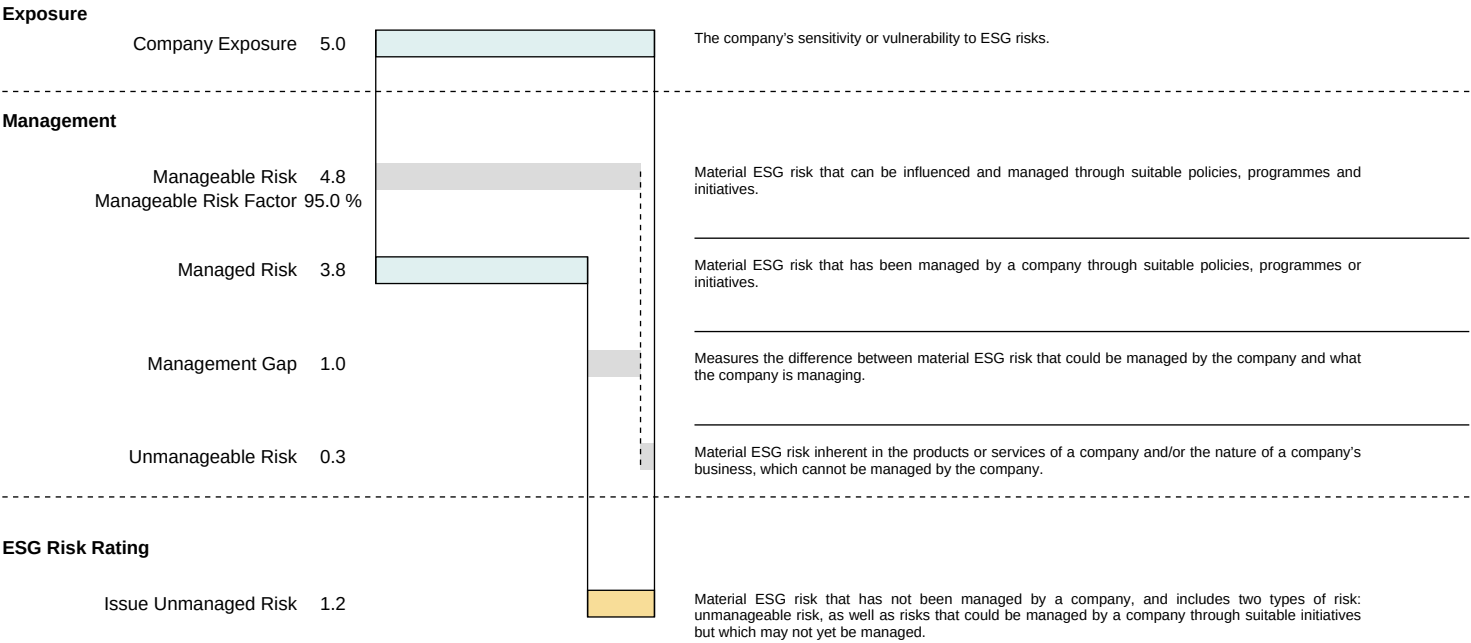
In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Diversity Programmes	100	22.5%	22.5
Freedom of Association Policy	100	12.5%	12.5
Human Capital Development	100	45.0%	45.0
Employee Turnover Rate	0	20.0%	0.0
 Employees - Human Rights	Category 0	0%	0.0
 Labour Relations	Category 0	0%	0.0
Weighted Sum			80.0

Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Risk Decomposition



Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Issue

Contribution 2.8 %



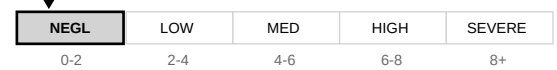
Resource Use

Resource Use focuses on how efficiently and effectively a company uses its raw material inputs (excluding energy and petroleum-based products) in production and how it manages related risks.

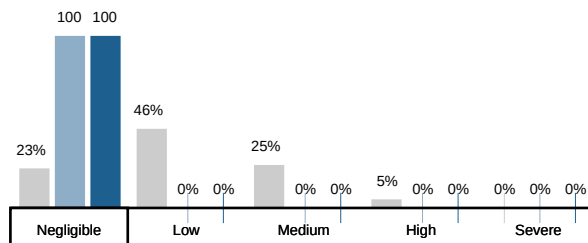
ESG Risk Rating

0.6

Negligible Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1 st = lowest risk)	PERCENTILE (1 st = lowest risk)
Global Universe	4/1189	1 st
Oil & Gas Producers INDUSTRY	3/84	3 rd
Integrated Oil & Gas SUBINDUSTRY	3/37	6 th

Peers Table

Peers (Market cap \$14.0 - \$16.6bn)

	Exposure	Management	ESG Risk Rating
1. Repsol, S.A.	2.0 Low	86.3 Strong	0.6 Negligible
2. OMV AG	2.1 Low	67.5 Strong	1.0 Negligible
3. Imperial Oil Ltd	3.1 Low	79.2 Strong	1.1 Negligible
4. Oil and Natural Gas Corporation Limited	2.1 Low	57.2 Strong	1.1 Negligible
5. Surgutneftegas PJSC	1.8 Low	29.6 Average	1.4 Negligible

Repsol, S.A.

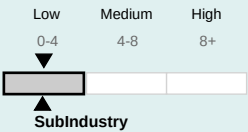
Integrated Oil & Gas Spain MCE:REP

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

2.0
Low



Certain oil and gas operations require large volumes of fresh water, including hydraulic fracturing, oil sands mining, in-situ oil sands methods, and certain enhanced oil recovery techniques. Depending on the use and disposal technique, injected fresh water is often permanently removed from the water cycle after it has been used in the drilling process. These uses can compete with community water uses, such as municipal or agricultural uses, as well as with the volumes required for maintaining basic ecosystem functions (i.e. surface water permits). Furthermore, certain resources are located in water-stressed regions. Exploration companies using hydraulic fracturing techniques to extract hydrocarbons in the western US and Australia face particular exposure to water scarcity. Though overall water draw in relation to other uses is typically low, community perception of greater water stress can make it more difficult for companies to establish a social licence to operate and exploit resources in a particular region. Implementation of best practices such as non-potable water use and water recycling has grown rapidly in the industry. These measures can help to alleviate community concerns and have resulted in costs savings for companies, primarily through a reduction in wastewater disposal fees and hauling costs, which can exceed USD 100 million over the lifetime of a typical horizontally drilled well.

The company's exposure to Resource Use issues is low and similar to subindustry average.

Exposure Analysis

Subindustry Issue Exposure	2.0
Issue Beta	x 1.00
Company Issue Exposure	2.0

Beta Indicators

Beta Signal

Water Use	0.00
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	0.00
Baseline	+1.00
Overall Beta	1.00

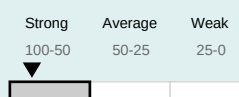
Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

86.3
Strong



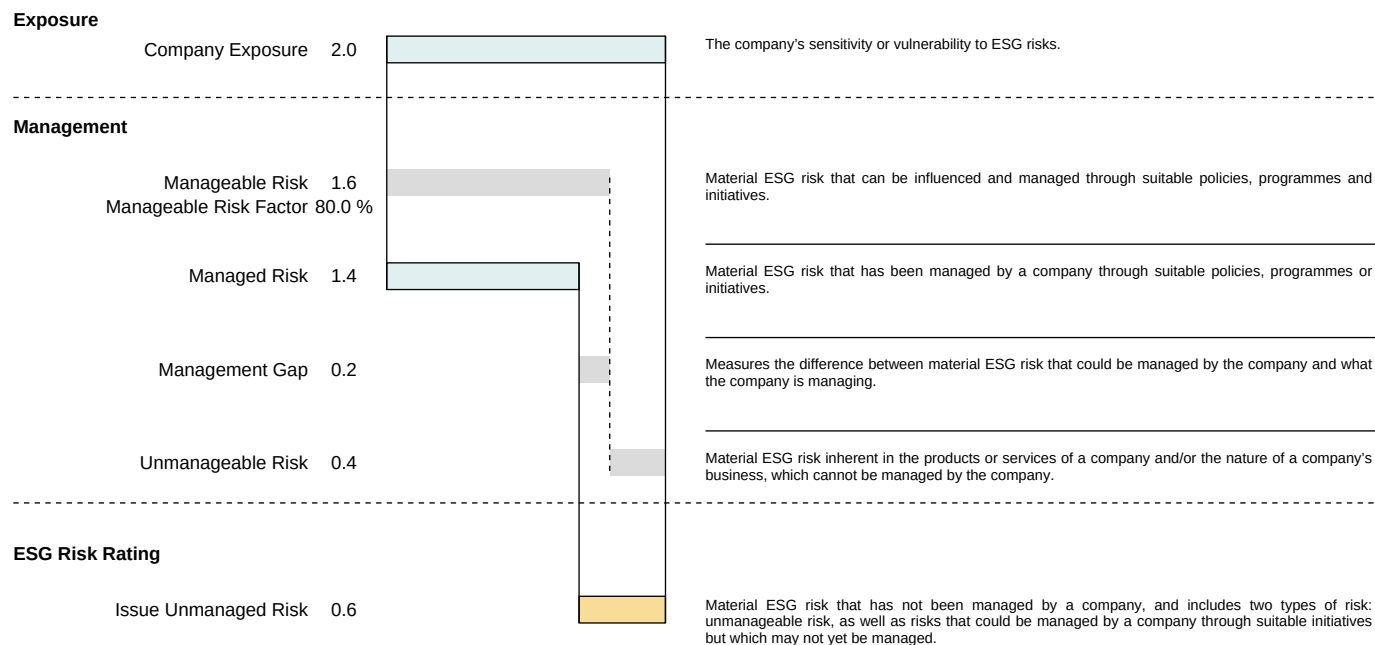
In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
EMS Certification	100	5.0%	5.0
Environmental Management System	100	10.0%	10.0
Environmental Policy	100	7.5%	7.5
Water Intensity	100	15.0%	15.0
Water Risk Management	100	35.0%	35.0
Water Management Programmes	50	27.5%	13.8
 Water Use	Category 0	0%	0.0
Weighted Sum			86.3

Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Risk Decomposition



Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Issue

Contribution 0.0 %



Land Use and Biodiversity

Land Use and Biodiversity focuses on how companies' manage their impact on land, ecosystems and wildlife. Topics include land conversion, land rehabilitation and forest management.

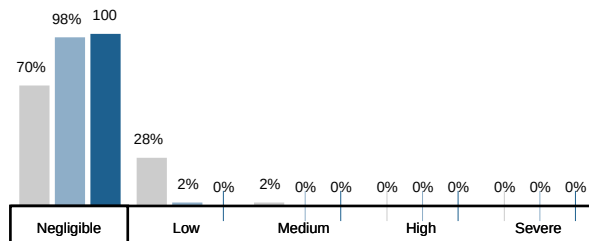
ESG Risk Rating

0.0

Negligible Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1 st = lowest risk)	PERCENTILE (1 st = lowest risk)
Global Universe	1/614	1st
Oil & Gas Producers INDUSTRY	1/101	1st
Integrated Oil & Gas SUBINDUSTRY	1/37	1st

Peers Table

Peers (Market cap \$14.0 - \$16.6bn)

	Exposure	Management	ESG Risk Rating
1. Repsol, S.A.	1.9 Low	100.0 Strong	0.0 Negligible
2. Oil and Natural Gas Corporation Limited	1.9 Low	62.5 Strong	0.7 Negligible
3. Imperial Oil Ltd	1.8 Low	52.2 Strong	0.9 Negligible
4. Surgutneftegas PJSC	1.8 Low	48.0 Average	0.9 Negligible
5. OMV AG	2.4 Low	57.0 Strong	1.0 Negligible

Repsol, S.A.

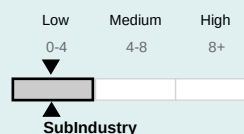
Integrated Oil & Gas Spain MCE:REP

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

1.9
Low



The oil and gas industry's activities can have a significant impact on biodiversity through habitat loss, alteration of land, or specific detrimental activities. The industry employs extensive infrastructure, which is globally distributed. Oil and gas well sites, though not always large, are often numerous, and certain areas may have a high concentration of well pads, connecting roads and pipeline infrastructure. For instance, in shale gas basins in the US, one five-acre wellpad every 40 acres is common. Individual projects can also have a serious impact on habitat through their sheer scale (such as oil sands mines), location (projects in or near sensitive ecological habitat) or contamination potential. Though a company's individual impact might be modest, oil and gas assets are often clustered in a certain geographic area, and collective impacts can be substantial, and can lead to significant population declines of certain species. Over time, this can lead to tighter regulation and increased compliance costs, as has occurred with bird and caribou habitat in the US and Canada. Scrutiny is especially high for oil sands operations due to the difficulty in restoring mined boreal forest and peat bogs back to their original state. Activities that have a direct detrimental effect on wildlife (i.e. animal fatalities) receive significant media attention and fines. Given the toxic nature of the products and waste involved, even relatively small volumes of fluids, if improperly managed, can result in animal fatalities. In severe instances of immediate biodiversity impact, such as numerous bird deaths due to tailings ponds, fines have reached several million dollars. In addition, there have been instances where despite acquiring exploration rights in sensitive areas such as national parks, public pressure over biodiversity concerns has forced companies to abandon development attempts. Best practices include following the Mining Association of Canada's Towards Sustainable Mining biodiversity management framework, as well as industry association IPIECA's Managing Biodiversity & Ecosystem Services guidance.

The company's exposure to Land Use and Biodiversity issues is low and similar to subindustry average.

Exposure Analysis

Subindustry Issue Exposure	2.0
Issue Beta	x 0.95
Company Issue Exposure	1.9

Beta Indicators

Beta Signal

Land Use and Biodiversity	0.00
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Headquarters Location	-0.02
Assets Location	-0.05
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	-0.05
Baseline	+1.00
Overall Beta	0.95

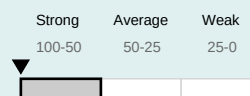
Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

100.0
Strong



In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Biodiversity Programmes	100	50.0%	50.0
EMS Certification	100	20.0%	20.0
Environmental Management System	100	30.0%	30.0
 Land Use and Biodiversity	Category 0	0%	0.0
Weighted Sum			100.0

Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

Risk Decomposition

Exposure

Company Exposure 1.9

The company's sensitivity or vulnerability to ESG risks.

Management

Manageable Risk 1.9
Manageable Risk Factor 100.0 %

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

Managed Risk 1.9

Material ESG risk that has been managed by a company through suitable policies, programmes or initiatives.

Management Gap 0.0

Measures the difference between material ESG risk that could be managed by the company and what the company is managing.

Unmanageable Risk 0.0

Material ESG risk inherent in the products or services of a company and/or the nature of a company's business, which cannot be managed by the company.

ESG Risk Rating

Issue Unmanaged Risk 0.0

Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives but which may not yet be managed.

Appendix



Management Details



Corporate Governance

Board/Management Quality & Integrity

52 Average Performer

Raw Score



Our analysis of the quality and integrity of the company's board and management indicates the following key areas of focus for Repsol SA:

- RPTs are approved by disinterested/independent directors or committee members only and the oversight and review of RPTs raises concerns.
 - One or more non-executive directors with more than one year of tenure fail to own stock and market practice is for directors to own stock.
 - One or more directors are linked to governance controversies at other companies and no directors are linked to performance failures at other companies.
- Overall, Repsol SA positions itself as an Average Performer with regard to its Board/Management Quality & Integrity compared to peers.

Indicators

Score

Board Experience	70
Director Track Record	50
Board Capture	60
Related Party Transactions	20
Director Stock Ownership	20
Executive/Board Misconduct	50
Business Practices Controversies	50
Governance Controversies	50
Shareholder Engagement and Responsiveness	100

Board Structure

73 Outperformer

Raw Score



In reviewing the company's structural board features, we note the following for Repsol SA:

- The company has a majority standard for election of directors and the company has a resignation policy for directors failing to receive a majority of votes.
 - The educational and professional background of directors is disclosed and the executive and board experience of directors is disclosed.
 - The nominating committee is entirely independent and nominating committee independence exceeds market standards.
- Overall, Repsol SA positions itself as an Outperformer with regard to its Board Structure compared to peers.

Indicators

Score

Board Leadership	40
Board Tenure	60
Board Independence	40
Nominating Committee Effectiveness	90
Director Disclosure	100
Voting Structures	100
Directors not Elected by Shareholders	60
Risk Oversight	80
Board Diversity	90

Ownership & Shareholder Rights

59 Outperformer

Raw Score



Repsol SA's Ownership & Shareholder rights regime includes the following key areas of focus:

- There is no shareholder rights or "poison pill" plan in effect and the board of directors is not elected annually.
- Charter/bylaw amendments require a simple majority vote and merger transactions require a simple majority vote.
- No concerns are currently identified from the company's capital-related decisions.

Overall, Repsol SA positions itself as an Outperformer with regard to its Ownership & Shareholder Rights compared to peers.

Indicators

Score

Director Appointment & Removal	30
Proportionality - One Share/One Vote	60
Ownership Structure	50
Capital Issuance Risks	60
Shareholder Action	60
Poison Pill & Takeover Defences	80
Supermajority Provisions	80

Appendix



Management Details

Remuneration

63 Leader

Raw Score

Our analysis of executive compensation practices at Repsol SA points to the following:

- Specific quantifiable performance metrics with pre-set targets are disclosed and the formula used to calculate STI payout is disclosed.

- Half or more of the LTI is subject to pre-set goals for performance over a long period of 4 years or more and the formula used to calculate the payout for performance-based portions of the LTI is disclosed.

- Remuneration amounts are disclosed for the CEO and remuneration amounts are disclosed individually for executives other than the CEO.

Overall, Repsol SA positions itself as a Leader with regard to its Remuneration compared to peers.



Indicators	Score
Remuneration Disclosure	80
Remuneration Committee Effectiveness	50
Say on Pay	70
Pay Controversies	50
STI Performance Metrics	100
LTI Performance Metrics	90
Pay Magnitude	30
Pay for Performance	20
Pay for Failure	30
CEO Termination Scenarios	0
Internal Pay Equity	50
Clawback Policy	70

Audit & Financial Reporting

69 Leader

Raw Score

In reviewing the company's Audit & Financial reporting features, we note the following for Repsol SA:

- Non-audit fees paid to the auditor are de minimis relative to audit and audit-related fees.

- The audit committee is entirely independent and audit committee independence exceeds market standards.

- The company has a policy to rotate or re-tender the audit mandate and there is a market requirement to periodically re-tender or rotate the audit mandate.

Overall, Repsol SA positions itself as a Leader with regard to its Audit & Financial Reporting compared to peers.



Indicators	Score
Audit Committee Structure	80
Audit Committee Effectiveness	60
Auditor Fees	100
Audit Rotation Policy	70
Auditor Change	50
Reporting Irregularities	50

Stakeholder Governance

97 Leader

Raw Score

In reviewing the company's practices regarding ESG stakeholder governance, points of attention for Repsol, S.A. are: ESG Governance, Bribery & Corruption Policy and Whistleblower Programmes.

- ESG Governance: A board member or a board committee is responsible for overseeing ESG issues

- Bribery & Corruption Policy: The company has a very strong policy

- Whistleblower Programmes: The company has a very strong programme



Indicators	Score
ESG Governance	100
ESG Reporting Standards	100
Verification of ESG Reporting	100
Global Compact Signatory	100
ESG Performance Targets	100
Political Involvement Policy	100
Lobbying and Political Expenses	0
Bribery & Corruption Policy	100
Environmental Policy	100
Whistleblower Programmes	100
Tax Disclosure	100
Discrimination Policy	100
Scope of Social Supplier Standards	100
GHG Reduction Programme	100
Green Procurement Policy	100

Appendix



Exposure Details



Carbon - Products and Services

EA.E.46 - Carbon Impact of Products

0.01

Beta Signal

The company is involved in low-level controversies of this type, signaling higher exposure to this issue.

EA.F.1 - Operating Performance

0.00

Beta Signal

The company has an average net income margin.

Average Net Income Margin (2016-2018): 4.3%
Subindustry Median (2016-2018): 5.31%
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.2 - Solvency

0.00

Beta Signal

The company has an average debt-equity ratio.

Debt to Equity Ratio (2018-2016): 0.59
Subindustry Median (2018-2016): 0.51
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.3 - Financial Flexibility

0.00

Beta Signal

The company has an average cash flow ratio.

Free Cash Flow Ratio (2018-2016): 4.04%
Subindustry Median (2018-2016): 4.62%
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.4 - Asset Performance

0.00

Beta Signal

The company has an average return on assets.

Return on Assets (2018-2016): 2.9%
Subindustry Median (2018-2016): 3.07%
Source: Morningstar, October 2019. All Rights Reserved.

EA.P.7 - Stranded Assets

0.00

Beta Signal

The company's production and reserve profile indicates average exposure to this issue.

Source: Sustainalytics Stranded Assets Research, May 2019.

Appendix

 Exposure Details

EA.P.9 - Carbon Solutions Offering

0.15
Beta Signal

The level of carbon solutions offered by the company indicates higher exposure to this issue.

EA.S.1 - Qualitative Overlay

0.00
Beta Signal

The analyst did not apply a qualitative overlay.

EA.S.2 - Subindustry Correction Factor

- 0.18
Beta Signal

EA.S.3 - Exceptional Event Adjustment

0.00
Beta Signal

Appendix



Management Details

E.1.6.1 - GHG Risk Management

100	38.00%	38.0
Raw Score	Weight	Weighted Score

The company has a very strong risk management programme

Criteria

- ☒ Detailed reporting on transition risks
- ☒ Recognition of the transition risks related to climate change
- ☒ Commitment to manage the regulatory, reputational and/or market risks related to climate change
- ☒ Managerial or board level responsibility for addressing transition risks
- ☒ Integration of transition risks into regular risk assessments and strategy

Sources

Repsol -2019 Integrated Management Report
Repsol Sustainability Policy, released March 2017

E.1.7.0 - GHG Reduction Programme

100	28.50%	28.5
Raw Score	Weight	Weighted Score

The company has a strong programme

Criteria

- ☒ Policy commitment to reduce GHG emissions
- ☒ Managerial responsibility for GHG emissions
- ☒ Initiatives to reduce GHG emissions
- ☒ GHG reduction targets and deadlines
- ☒ GHG emissions monitoring and measurement
- ☒ Regular GHG audits or verification

Sources

Repsol -2019 Integrated Management Report
Repsol Sustainability Policy, released March 2017

E.1.9 - Carbon Intensity

100	14.25%	14.3
Raw Score	Weight	Weighted Score

The company's carbon emissions intensity is well below the industry median

Company Corporate Website
https://www.repsol.com/imagenes/global/en/integrated-management-report-and-independent-verification-report-non-financial-2018_tcm14-147660.pdf

	2018
Carbon Intensity (t/million USD)	378.6
Industry Median	572.2

E.1.10 - Carbon Intensity Trend

100	14.25%	14.3
Raw Score	Weight	Weighted Score

The company's carbon intensity trend shows a decline of 25% or more over the last 3 years

Company Corporate Website
https://www.repsol.com/imagenes/global/en/integrated-management-report-and-independent-verification-report-non-financial-2018_tcm14-147660.pdf

	2018
Carbon Intensity Trend (%)	-27.6

Appendix



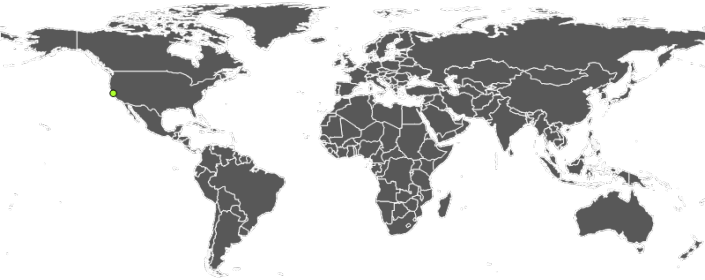
Management Details

Carbon Impact of Products Events



Category 1 Event - Low

Incident History



PCFFA lawsuit over climate change effects in California
Minnesota Public Radio - 14 November 2018

Locations: San Francisco, CA, USA

Tags: Carbon Impact of Products

Appendix



Exposure Details



Occupational Health and Safety

EA.E.20 - Occupational Health and Safety

0.01

Beta Signal

The company is involved in low-level controversies of this type, signaling higher exposure to this issue.

EA.F.1 - Operating Performance

0.00

Beta Signal

The company has an average net income margin.

Average Net Income Margin (2016-2018): 4.3%
Subindustry Median (2016-2018): 5.31%
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.2 - Solvency

0.00

Beta Signal

The company has an average debt-equity ratio.

Debt to Equity Ratio (2018-2016): 0.59
Subindustry Median (2018-2016): 0.51
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.3 - Financial Flexibility

0.00

Beta Signal

The company has an average cash flow ratio.

Free Cash Flow Ratio (2018-2016): 4.04%
Subindustry Median (2018-2016): 4.62%
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.4 - Asset Performance

0.00

Beta Signal

The company has an average return on assets.

Return on Assets (2018-2016): 2.9%
Subindustry Median (2018-2016): 3.07%
Source: Morningstar, October 2019. All Rights Reserved.

EA.G.1 - Headquarters Location

- 0.02

Beta Signal

The location of the company's headquarters indicates slightly lower exposure to this issue.

Spain: Slightly lower exposure
Source: Sustainalytics Country Risk Rating, May 2019.

Appendix



Exposure Details

EA.G.2 - Assets Location

- 0.05
Beta Signal

The location of the company's assets indicates slightly lower exposure to this issue.

Europe: 46% (Slightly lower exposure)
North America: 42% (Slightly lower exposure)
Other: 12%
Source: Sustainalytics Country Risk Rating, May 2019."
Morningstar, October 2019. All Rights Reserved.

EA.S.1 - Qualitative Overlay

0.00
Beta Signal

The analyst did not apply a qualitative overlay.

EA.S.2 - Subindustry Correction Factor

0.00
Beta Signal

EA.S.3 - Exceptional Event Adjustment

0.00
Beta Signal

Appendix



Management Details

E.1.3.1 - Emergency Response Programme

100	11.88%	11.9
Raw Score	Weight	Weighted Score

The company has a very strong programme

Criteria

- ☒ Policy commitment to prepare for and respond to emergencies
- ☒ Managerial responsibility for emergency preparedness, response and investigation
- ☒ Identification of potential risks requiring emergency response
- ☒ Company-wide guidelines on how to prepare for and respond to emergencies
- ☒ Regional, site or unit level emergency response teams in place
- ☒ Protocols for communicating with external stakeholders
- ☒ Emergency training for employees or communities, including regular testing of the emergency response plans
- ☐ Mechanisms for stakeholders to report emergencies

Sources

Repsol -2019 Annual Corporate Governance Report
 Repsol -2019 Integrated Management Report
 Repsol Health, Safety and Environmental Policy, released March 2017

S.1.6.2.1 - Health and Safety Management System

100	26.13%	26.1
Raw Score	Weight	Weighted Score

The company has a very strong management system

Criteria

- ☒ Formal health and safety policy commitment
- ☒ Managerial responsibility for health and safety issues
- ☒ Procedures for hazard identification and risk assessment
- ☒ Regular health and safety training programmes for employees
- ☒ Operating guidelines or procedures that are relevant for the industry
- ☒ Targets to reduce health and safety incidents
- ☒ Emergency preparedness procedures
- ☒ Performance monitoring and measurement
- ☒ Internal or external health and safety audits conducted at least every three years
- ☒ Reporting on health and safety programmes and performance

Sources

Repsol -2019 Integrated Management Report
 Repsol Feedback with Comments -June 2020
 Repsol Health, Safety and Environmental Policy, released March 2017

S.1.6.4 - Health & Safety Certifications

40	7.13%	2.9
Raw Score	Weight	Weighted Score

25-49% of the company's facilities have received external certification

As per the company feedback, "

Sources

Repsol -2019 Integrated Management Report
 Repsol Feedback with Comments -June 2020

S.1.6.5 - LTIR Trend

0	14.25%	0.0
Raw Score	Weight	Weighted Score

The company's lost-time incident rate has increased

The company reports its Lost Time Injury Frequency (LTIF) for employees and contractors:
 2019: 0.86
 2018: 0.89
 2017: 0.71
 2016: 0.69
 Therefore, in 2019 the company's lost-time injury rate increased by approximately 13%, as compared to the average of the previous three years (0.76).

Sources

Repsol -2019 Integrated Management Report

Appendix



Management Details

S.1.6.6 - Employee Fatality Rate

100	7.13%	7.1
Raw Score	Weight	Weighted Score

No fatalities have occurred in the last three years

The company reports no employee fatalities in the past three years.
Number of fatalities:

2019: 0
2018: 0
2017: 0
2016: 0

Sources

Repsol -2019 Integrated Management Report

S.2.2.5 - Contractor Safety Programme

100	21.38%	21.4
Raw Score	Weight	Weighted Score

The company has a very strong programme

Criteria

- ☒ Policy commitment to protect the safety of contractors
- ☒ Prescreening of contractors for safety performance and risks
- ☒ Operating guidelines on contractor safety management
- ☒ Safety training for contractors
- ☒ Compliance with safety guidelines included in contractual agreements.
- ☐ Objectives or targets regarding contractor safety
- ☒ Monitoring of contractor safety performance
- ☒ Reporting on contractor safety management

Sources

Ethics and Conduct Code for Suppliers

Repsol -2019 Integrated Management Report

Repsol Corporate Website, Supplier and partners, www.repsol.com; accessed on June 2020

Suppliers and contractors: How we monitor performance and ...

S.2.2.6 - Contractor Fatalities

75	7.13%	5.3
Raw Score	Weight	Weighted Score

Between 1 and 4 fatalities have occurred among contractors in the last three years

Repsol discloses fatalities among contractors:

-2019: 1
-2018: 2
-2017: 0
-2016: 2

Sources

Repsol -2019 Integrated Management Report

Appendix



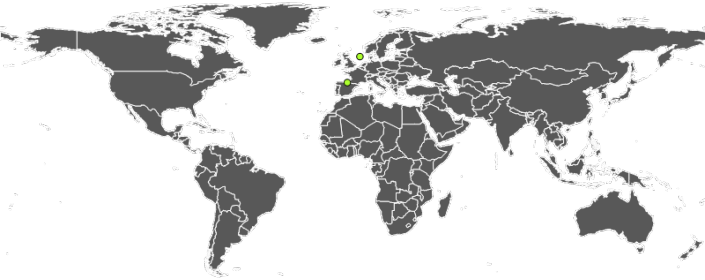
Management Details

Occupational Health and Safety Events



Category 1 Event - Low

Incident History



Bilbao court orders payment for former employee exposed to asbestos
SpainsNews.com - 21 January 2020

Norway regulator finds irregularities after North Sea accident
Offshore Energy Today - 13 September 2019

Locations: Bilbao, Biscay, Spain, North Sea

Tags: Health and Safety

Appendix



Exposure Details



Emissions, Effluents and Waste

EA.E.14 - Emissions, Effluents and Waste

0.01

Beta Signal

The company is involved in low-level controversies of this type, signaling higher exposure to this issue.

EA.F.1 - Operating Performance

0.00

Beta Signal

The company has an average net income margin.

Average Net Income Margin (2016-2018): 4.3%
Subindustry Median (2016-2018): 5.31%
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.2 - Solvency

0.00

Beta Signal

The company has an average debt-equity ratio.

Debt to Equity Ratio (2018-2016): 0.59
Subindustry Median (2018-2016): 0.51
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.3 - Financial Flexibility

0.00

Beta Signal

The company has an average cash flow ratio.

Free Cash Flow Ratio (2018-2016): 4.04%
Subindustry Median (2018-2016): 4.62%
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.4 - Asset Performance

0.00

Beta Signal

The company has an average return on assets.

Return on Assets (2018-2016): 2.9%
Subindustry Median (2018-2016): 3.07%
Source: Morningstar, October 2019. All Rights Reserved.

EA.G.1 - Headquarters Location

- 0.02

Beta Signal

The location of the company's headquarters indicates slightly lower exposure to this issue.

Spain: Slightly lower exposure
Source: Sustainalytics Country Risk Rating, May 2019.

Appendix

Exposure Details

EA.G.2 - Assets Location

- 0.05
Beta Signal

The location of the company's assets indicates slightly lower exposure to this issue.

Europe: 46% (Slightly lower exposure)
North America: 42% (Slightly lower exposure)
Other: 12%
Source: Sustainalytics Country Risk Rating, May 2019."
Morningstar, October 2019. All Rights Reserved.

EA.S.1 - Qualitative Overlay

0.00
Beta Signal

The analyst did not apply a qualitative overlay.

EA.S.2 - Subindustry Correction Factor

0.00
Beta Signal

EA.S.3 - Exceptional Event Adjustment

0.00
Beta Signal

Appendix



Management Details

E.1.1 - Environmental Policy

100	7.12%	7.1
Raw Score	Weight	Weighted Score

The company has a very strong policy

Criteria

- ☒ Commitment to environmental protection
- ☒ Commitment to create environmental awareness
- ☒ Commitment to implement an environmental management system
- ☒ Commitment to use natural resources or energy more efficiently
- ☒ Commitment to reduce emissions, releases and waste
- ☒ Commitment to monitor the company's environmental performance
- ☐ Commitment to report regularly on environmental issues
- ☒ Commitment to consult with stakeholders on environmental issues
- ☒ Approved by senior management or the board of directors

Sources

Repsol Health, Safety and Environmental Policy, released March 2017
Repsol Sustainability Policy, released March 2017

E.1.2 - Environmental Management System

100	7.12%	7.1
Raw Score	Weight	Weighted Score

The company has a very strong EMS

Criteria

- ☒ Managerial or board level responsibility for environmental issues
- ☒ Identification of products, activities and services that have significant impacts on the environment
- ☒ Compliance with environmental regulation
- ☒ Objectives, targets and deadlines
- ☒ Assigned roles and responsibilities
- ☒ Training and awareness programmes for employees
- ☒ Internal and external communications on environmental management issues
- ☒ Monitoring and measurement
- ☒ Environmental performance records
- ☒ External environmental audits
- ☒ Internal environmental audits
- ☒ Corrective actions to stimulate continual improvement
- ☒ Environmental programmes

Sources

2020 Global Sustainability Plan
Repsol -2019 Annual Corporate Governance Report
Repsol -2019 Integrated Management Report
Repsol Corporate Website, Environment, www.repsol.com, accessed on 02 June 2020
Repsol -2019 Sustainability Plans

E.1.2.4 - Oil Spill Disclosure & Performance

25	19.00%	4.8
Raw Score	Weight	Weighted Score

The company reports on the total volume of oil spills and shows that this volume has increased by more than 2.5% over the last 5 years

The company discloses data in metric tons:

2019: 79
2018: 111
2017: 85
2016: 40
2015: 23

Therefore, in 2019, the company's spilled hydrocarbons quantity increased by approximately 22% compared to the average of the previous four years (64.75).

Sources

Repsol -2017 Annual Financial Report
Repsol -2019 Integrated Management Report

E.1.2.6.3 - Effluent Management

100	23.75%	23.8
Raw Score	Weight	Weighted Score

The company has a strong programme

Criteria

- ☒ Policy commitment to manage or reduce effluents
- ☒ Initiatives to reduce, reuse or recycle effluents
- ☒ Monitoring and measurement of effluent and effluent management
- ☒ Objectives or targets related to effluent management
- ☒ Incident investigation and corrective action
- ☒ Reporting on effluent issues

Sources

Repsol -2019 Integrated Management Report
Repsol -2020 Global Sustainability Plan
Repsol Corporate Website, Environment, www.repsol.com, accessed on 02 June 2020
Repsol Sustainability Policy, released March 2017
Repsol -2019 Sustainability Plans

Appendix



Management Details

E.1.2.6.4 - Offshore Well Management

100	7.12%	7.1
Raw Score	Weight	Weighted Score

The company has a very strong programme

Criteria

- ☒ Recognition that regulatory and reputational changes related to well management are a business risk
- ☒ Managerial responsibility for offshore well management
- ☒ Well integrity operating guidelines and procedures aligned with best practice
- ☒ Monitoring and measurement of offshore well integrity and stability
- ☐ Objectives or targets related to offshore well management
- ☒ Participation in relevant multistakeholder or industry initiatives

Sources

Repsol -2019 Integrated Management Report

Repsol -Well integrity and the Deepwater Drilling Worldwide Group

E.1.3 - EMS Certification

100	7.12%	7.1
Raw Score	Weight	Weighted Score

90% or more of the company's activities have received external certification

E.1.3.1 - Emergency Response Programme

100	16.63%	16.6
Raw Score	Weight	Weighted Score

The company has a very strong programme

Criteria

- ☒ Policy commitment to prepare for and respond to emergencies
- ☒ Managerial responsibility for emergency preparedness, response and investigation
- ☒ Identification of potential risks requiring emergency response
- ☒ Company-wide guidelines on how to prepare for and respond to emergencies
- ☒ Regional, site or unit level emergency response teams in place
- ☒ Protocols for communicating with external stakeholders
- ☒ Emergency training for employees or communities, including regular testing of the emergency response plans
- ☐ Mechanisms for stakeholders to report emergencies

Sources

Repsol -2019 Annual Corporate Governance Report

Repsol -2019 Integrated Management Report

Repsol Health, Safety and Environmental Policy, released March 2017

E.1.3.3 - Non-GHG Air Emissions Programmes

50	7.12%	3.6
Raw Score	Weight	Weighted Score

The company has an adequate programme

Criteria

- ☐ Commitment to reduce non-GHG air emissions
- ☒ Identification of relevant non-GHG air emissions
- ☒ Initiatives to reduce non-GHG air emissions
- ☐ Targets to reduce non-GHG air emissions
- ☐ Deadlines to reduce non-GHG air emissions
- ☒ Non-GHG air emission monitoring

Sources

Repsol -2019 Integrated Management Report

Repsol Corporate Website, Air Quality, www.repsol.com; accessed on June 2020

Appendix



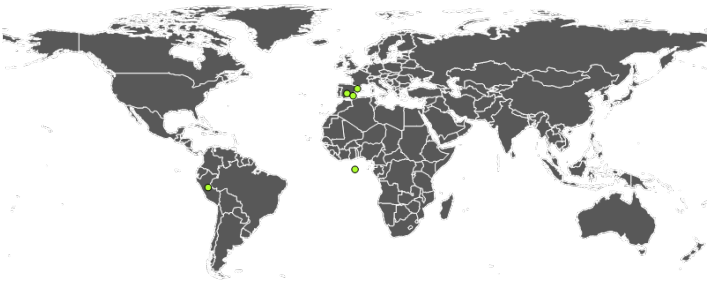
Management Details

Emissions, Effluents and Waste Events



Category 1 Event - Low

Incident History



Locations: Puertollano, Ciudad Real, Spain, Tarragona, Spain, Cartagena, Murcia, Spain, Peru, Isla de Escombreras, Murcia, Spain

Tags: Emissions to Air, Degradation & Contamination (Land)

NGO requests air quality monitoring in Puertollano
Lanza Digital - 01 September 2020

University study shows high levels of air pollution at Tarragona refinery
Global Unions - 16 April 2020

Crude oil spill in Cartagena
ABC.es - 11 April 2020

Update: NGO reports hydrocarbons discharge in Escombreras valley
Cadena SER - 24 October 2019

Authorities evacuate 1,000 residents following gas leak in Peru
M-Brain Peru News - 06 February 2020

Appendix



Exposure Details



Community Relations

EA.E.10 - Community Relations

0.02

Beta Signal

The company is involved in moderate-level controversies of this type, signaling higher exposure to this issue.

EA.E.48 - Society - Human Rights

0.02

Beta Signal

The company is involved in moderate-level controversies of this type, signaling higher exposure to this issue.

EA.F.1 - Operating Performance

0.00

Beta Signal

The company has an average net income margin.

Average Net Income Margin (2016-2018): 4.3%
Subindustry Median (2016-2018): 5.31%
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.2 - Solvency

0.00

Beta Signal

The company has an average debt-equity ratio.

Debt to Equity Ratio (2018-2016): 0.59
Subindustry Median (2018-2016): 0.51
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.3 - Financial Flexibility

0.00

Beta Signal

The company has an average cash flow ratio.

Free Cash Flow Ratio (2018-2016): 4.04%
Subindustry Median (2018-2016): 4.62%
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.4 - Asset Performance

0.00

Beta Signal

The company has an average return on assets.

Return on Assets (2018-2016): 2.9%
Subindustry Median (2018-2016): 3.07%
Source: Morningstar, October 2019. All Rights Reserved.

EA.S.1 - Qualitative Overlay

0.00

Beta Signal

The analyst did not apply a qualitative overlay.

EA.S.2 - Subindustry Correction Factor

0.00

Beta Signal

Appendix

 Exposure Details

EA.S.3 - Exceptional Event Adjustment

0.00
Beta Signal

Appendix



Management Details

S.4.2.1 - Human Rights Policy

100	16.00%	16.0
Raw Score	Weight	Weighted Score

The company has a strong policy

Criteria

- ☒ Commitment to respect human rights following international standards
- ☒ Commitment to adopt programmes to address industry-specific human rights exposure
- ☒ Approved at the most senior level of the business enterprise
- ☒ Commitment to adopt grievance mechanisms
- ☒ Commitment to provide remedy to correct negative impacts
- ☒ Commitment to monitor and report on human rights impacts
- ☒ Commitment to apply human rights due diligence or conduct risk assessments
- ☒ Stipulation of the company's human rights expectations of personnel
- ☒ Stipulation of the company's human rights expectations of third parties
- ☒ Commitment to communicate the policy to personnel and external stakeholders

Sources

Repsol -Code of Ethics and Business Conduct
 Repsol -Human Rights and Community Relations Policy
 Repsol Human Rights and Community Relations Policy, released June 2019

S.4.2.2 - Community Involvement Programmes

100	32.00%	32.0
Raw Score	Weight	Weighted Score

The company has a very strong programme

Criteria

- ☒ Policy commitment to consult with local communities
- ☒ Executive responsibility for community relations
- ☐ Community consultation guidelines
- ☒ Operation-specific responsibility for community relations
- ☒ A formal system for identifying local stakeholders or communities of interest
- ☒ Consultation conducted at early stages of a project
- ☒ Ongoing consultation mechanisms
- ☒ Accessible mechanism to collect, record and address complaints or grievances

Sources

Repsol -2019 Annual Corporate Governance Report
 Repsol -2019 Integrated Management Report
 Repsol Corporate Website, Dialogue with communities and indigenous peoples, www.repsol.com; accessed on June 2020
 Repsol Corporate Website, ESHIA, www.repsol.com; accessed on June 2020
 Repsol Corporate Website, Our model, www.repsol.com; accessed on June 2020
 Repsol Human Rights and Community Relations Policy, released June 2019

S.4.2.9 - Indigenous Rights Policy

75	8.00%	6.0
Raw Score	Weight	Weighted Score

The company has a strong policy

Criteria

- ☒ Commitment to promote the socio-economic development of indigenous people
- ☒ Commitment to seek the effective representation and participation of indigenous peoples
- ☐ Commitment to promote the full realization of the social, economic and cultural rights of indigenous people
- ☒ Reference to ILO Convention 169 or the United Nations Declaration on the Rights of Indigenous Peoples
- ☒ Commitment to respect the land rights of indigenous people
- ☒ Commitment to seek or respect the right to Free Prior and Informed Consent of indigenous peoples
- ☐ Commitment to avoid involuntary resettlement of indigenous peoples
- ☐ Commitment to protect culturally sensitive areas
- ☐ Commitment to report periodically on policy implementation
- ☐ There is no evidence of a formal policy but the company has a general statement addressing the issue

Sources

Repsol Human Rights and Community Relations Policy, released June 2019

S.4.2.11 - Community Development Programmes

100	24.00%	24.0
Raw Score	Weight	Weighted Score

The company has a very strong programme

Criteria

- ☒ Commitment to promote community development
- ☒ Community development initiatives
- ☒ Systematic involvement of local stakeholders in community development planning and/or monitoring
- ☒ Community development targets and deadlines
- ☒ Monitoring of community development programmes
- ☐ Initiatives to promote economic development after closure
- ☒ Reporting on community development programmes and results

Sources

Repsol -2019 Integrated Management Report
 Repsol -2020 Global Sustainability Plan
 Repsol Corporate Website, Communities and shared value, www.repsol.com; accessed on June 2020
 Repsol Corporate Website, Shared Value, www.repsol.com; accessed on June 2020
 Repsol Human Rights and Community Relations Policy, released June 2019

Appendix



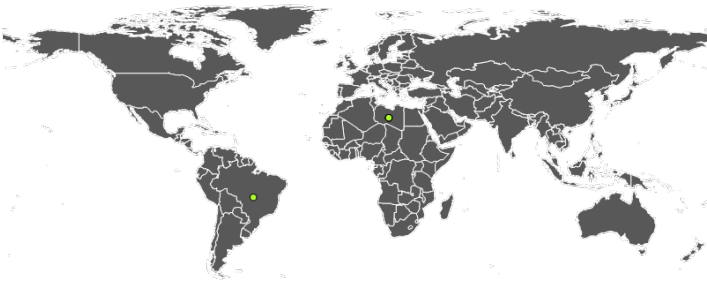
Management Details

Community Relations Events



Category 2 Event - Moderate

Incident History



Locations: Brazil, Libya

Tags: Conflicts with Indigenous Communities, Conflicts with Local Communities

Indigenous activists protest against Brazilian environmental damage
Enviro News Nigeria - 09 December 2019

El Sharara to restart production after gunmen blocked pipeline
Reuters - 08 August 2019

Update: National Oil Company closes El Sharara after gunmen blocked a
Middle East Monitor - 20 July 2019

El Sharara oilfield to resume production
EuroNews - 03 April 2019

Update: El Sharara oilfield still closed amid negotiations
Reuters - 11 February 2019

Update: Armed group occupies El Sharara oilfield in Libya
Reuters - 10 December 2018

Armed group abducts two workers at El Sharara Oilfield, Libya
Reuters - 14 July 2018

Appendix



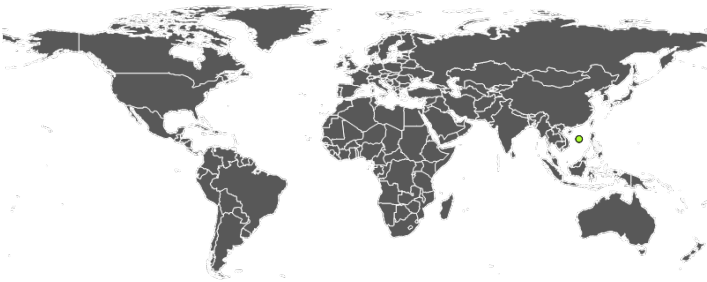
Management Details

Society - Human Rights Events



Category 2 Event - Moderate

Incident History



Locations: South China Sea
Tags: Occupied Territories/Disputed Regions

Subsidiary cancels supply contracts following territorial disputes
offshore-energy.com - 17 September 2019

Update: Territory dispute temporarily stops work at Vietnam development
The Malaysian Reserve - 28 March 2018

Vietnam orders expedition termination after threats
The Star Online - 24 July 2017

Appendix



Exposure Details



Carbon - Own Operations

EA.E.15 - Energy Use and GHG Emissions

0.01

Beta Signal

The company is involved in low-level controversies of this type, signaling higher exposure to this issue.

EA.F.1 - Operating Performance

0.00

Beta Signal

The company has an average net income margin.

Average Net Income Margin (2016-2018): 4.3%
Subindustry Median (2016-2018): 5.31%
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.2 - Solvency

0.00

Beta Signal

The company has an average debt-equity ratio.

Debt to Equity Ratio (2018-2016): 0.59
Subindustry Median (2018-2016): 0.51
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.3 - Financial Flexibility

0.00

Beta Signal

The company has an average cash flow ratio.

Free Cash Flow Ratio (2018-2016): 4.04%
Subindustry Median (2018-2016): 4.62%
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.4 - Asset Performance

0.00

Beta Signal

The company has an average return on assets.

Return on Assets (2018-2016): 2.9%
Subindustry Median (2018-2016): 3.07%
Source: Morningstar, October 2019. All Rights Reserved.

EA.P.1 - Carbon Emissions

- 0.10

Beta Signal

The company's carbon emissions intensity indicates moderately lower exposure to this issue

Company Corporate Website
https://www.repsol.com/imagenes/global/en/integrated-management-report-and-independent-verification-report-non-financial-2018_tcm14-147660.pdf

Appendix

 Exposure Details

EA.P.7 - Stranded Assets

0.00
Beta Signal

The company's production and reserve profile indicates average exposure to this issue.

Source: Sustainalytics Stranded Assets Research, May 2019.

EA.S.1 - Qualitative Overlay

0.00
Beta Signal

The analyst did not apply a qualitative overlay.

EA.S.2 - Subindustry Correction Factor

- 0.08
Beta Signal

EA.S.3 - Exceptional Event Adjustment

0.00
Beta Signal

Appendix



Management Details

E.1.1 - Environmental Policy

100	7.12%	7.1
Raw Score	Weight	Weighted Score

The company has a very strong policy

Criteria

- ☒ Commitment to environmental protection
- ☒ Commitment to create environmental awareness
- ☒ Commitment to implement an environmental management system
- ☒ Commitment to use natural resources or energy more efficiently
- ☒ Commitment to reduce emissions, releases and waste
- ☒ Commitment to monitor the company's environmental performance
- ☐ Commitment to report regularly on environmental issues
- ☒ Commitment to consult with stakeholders on environmental issues
- ☒ Approved by senior management or the board of directors

Sources

Repsol Health, Safety and Environmental Policy, released March 2017
Repsol Sustainability Policy, released March 2017

E.1.2 - Environmental Management System

100	7.12%	7.1
Raw Score	Weight	Weighted Score

The company has a very strong EMS

Criteria

- ☒ Managerial or board level responsibility for environmental issues
- ☒ Identification of products, activities and services that have significant impacts on the environment
- ☒ Compliance with environmental regulation
- ☒ Objectives, targets and deadlines
- ☒ Environmental programmes
- ☒ Assigned roles and responsibilities
- ☒ Training and awareness programmes for employees
- ☒ Internal and external communications on environmental management issues
- ☒ Monitoring and measurement
- ☒ Environmental performance records
- ☒ External environmental audits
- ☒ Internal environmental audits
- ☒ Corrective actions to stimulate continual improvement

Sources

2020 Global Sustainability Plan
Repsol -2019 Annual Corporate Governance Report
Repsol -2019 Integrated Management Report
Repsol Corporate Website, Environment, www.repsol.com, accessed on 02 June 2020
Repsol -2019 Sustainability Plans

E.1.3 - EMS Certification

100	4.75%	4.8
Raw Score	Weight	Weighted Score

90% or more of the company's activities have received external certification

E.1.6 - Scope of GHG Reporting

100	11.88%	11.9
Raw Score	Weight	Weighted Score

The company reports on scope 1 & 2 and discloses relevant information on Scope 3 GHG emissions

Company Corporate Website
https://www.repsol.com/imagenes/global/en/integrated-management-report-and-independent-verification-report-non-financial-2018_tcm14-147660.pdf

Sources

Repsol -2019 Integrated Management Report

Appendix



Management Details

E.1.6.1 - GHG Risk Management

100	16.63%	16.6
Raw Score	Weight	Weighted Score

The company has a very strong risk management programme

Criteria

- ☒ Recognition of the transition risks related to climate change
- ☒ Commitment to manage the regulatory, reputational and/or market risks related to climate change
- ☒ Managerial or board level responsibility for addressing transition risks
- ☒ Integration of transition risks into regular risk assessments and strategy
- ☒ Detailed reporting on transition risks

Sources

Repsol -2019 Integrated Management Report
Repsol Sustainability Policy, released March 2017

E.1.7.0 - GHG Reduction Programme

100	23.75%	23.8
Raw Score	Weight	Weighted Score

The company has a strong programme

Criteria

- ☒ Policy commitment to reduce GHG emissions
- ☒ Managerial responsibility for GHG emissions
- ☒ Initiatives to reduce GHG emissions
- ☒ GHG reduction targets and deadlines
- ☒ GHG emissions monitoring and measurement
- ☒ Regular GHG audits or verification

Sources

Repsol -2019 Integrated Management Report
Repsol Sustainability Policy, released March 2017

E.1.9 - Carbon Intensity

100	11.88%	11.9
Raw Score	Weight	Weighted Score

The company's carbon emissions intensity is well below the industry median

Company Corporate Website
https://www.repsol.com/imagenes/global/en/integrated-management-report-and-independent-verification-report-non-financial-2018_tcm14-147660.pdf

	2018
Carbon Intensity (t/million USD)	378.6
Industry Median	572.2

E.1.10 - Carbon Intensity Trend

100	11.88%	11.9
Raw Score	Weight	Weighted Score

The company's carbon intensity trend shows a decline of 25% or more over the last 3 years

Company Corporate Website
https://www.repsol.com/imagenes/global/en/integrated-management-report-and-independent-verification-report-non-financial-2018_tcm14-147660.pdf

	2018
Carbon Intensity Trend (%)	-27.6

Appendix



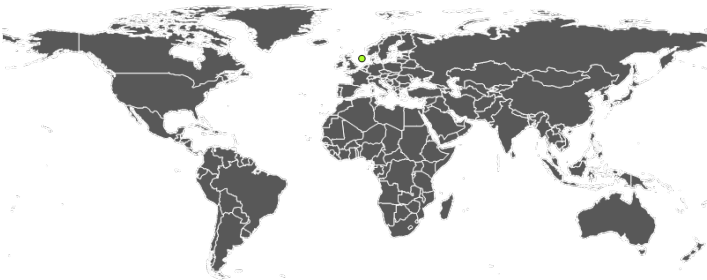
Management Details

Energy Use and GHG Emissions Events



Category 1 Event - Low

Incident History



NGO probe shows high CO2 emissions from North Sea rigs from flaring and Greenpeace UK - 01 February 2021

Locations: North Sea

Tags: Energy Use and Greenhouse Gas Emissions

Appendix



Exposure Details



Bribery and Corruption

EA.E.6 - Bribery and Corruption

0.00

Beta Signal

The company is not involved in any controversies of this type.

EA.F.1 - Operating Performance

0.00

Beta Signal

The company has an average net income margin.

Average Net Income Margin (2016-2018): 4.3%
Subindustry Median (2016-2018): 5.31%
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.2 - Solvency

0.00

Beta Signal

The company has an average debt-equity ratio.

Debt to Equity Ratio (2018-2016): 0.59
Subindustry Median (2018-2016): 0.51
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.3 - Financial Flexibility

0.00

Beta Signal

The company has an average cash flow ratio.

Free Cash Flow Ratio (2018-2016): 4.04%
Subindustry Median (2018-2016): 4.62%
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.4 - Asset Performance

0.00

Beta Signal

The company has an average return on assets.

Return on Assets (2018-2016): 2.9%
Subindustry Median (2018-2016): 3.07%
Source: Morningstar, October 2019. All Rights Reserved.

EA.G.4 - Regional Corruption

0.00

Beta Signal

Information is insufficient to determine the location of the company's operations.

Appendix

 Exposure Details

EA.S.1 - Qualitative Overlay

0.00
Beta Signal

The analyst did not apply a qualitative overlay.

EA.S.2 - Subindustry Correction Factor

0.00
Beta Signal

EA.S.3 - Exceptional Event Adjustment

0.00
Beta Signal

Appendix



Management Details

G.1.1 - Bribery & Corruption Policy

100	27.50%	27.5
Raw Score	Weight	Weighted Score

The company has a very strong policy

Criteria

- ☒ Prohibition of bribery
- ☒ Definition of bribery or corruption
- ☒ Definition of conflicts of interest and commitment to minimize these
- ☒ Definition and prohibition of facilitation payments
- ☒ Guidelines of what is considered acceptable behaviour
- ☐ There is no evidence of a formal policy but the company has a general statement addressing the issue

Sources

Repsol -Code of Ethics and Business Conduct
Repsol Anti-Corruption Policy, released March 2017

G.1.1.1 - Bribery & Corruption Programmes

100	45.00%	45.0
Raw Score	Weight	Weighted Score

The company has a very strong programme

Criteria

- ☒ Managerial responsibility for bribery and corruption
- ☒ Regular bribery and corruption risk assessments
- ☐ Operating guidelines addressing record keeping, approval procedures and appropriate behaviour
- ☐ Annual signoff of the policy on bribery and corruption by employees
- ☒ Regular training on bribery and corruption
- ☒ Internal monitoring system to detect corruption
- ☒ Mechanisms for employees to consult on ethical issues

Sources

Repsol -2019 Annual Corporate Governance Report
Repsol -2019 Integrated Management Report

G.1.2 - Whistleblower Programmes

100	17.50%	17.5
Raw Score	Weight	Weighted Score

The company has a very strong programme

Criteria

- ☒ Proactively communicated to employees
- ☒ Available to suppliers, customers and other third parties
- ☒ An independent, reporting hotline available 24/7
- ☒ Possibility for anonymous reporting and reports are treated confidentially
- ☒ Non-retaliation policy
- ☐ Structures in place to process whistleblower reports
- ☒ Disclosure on the number of reports received, the types of misconduct and measures taken
- ☒ Available in local languages

Sources

Repsol -2019 Integrated Management Report
Repsol Anti-Corruption Policy, released March 2017
Repsol Ethics & Compliance Channel

G.3.1 - Political Involvement Policy

100	5.00%	5.0
Raw Score	Weight	Weighted Score

The company has a strong policy

Criteria

- ☒ Prohibits political involvement of any kind on the company's behalf
- ☐ Partially prohibits political involvement
- ☒ Approved by senior management
- ☐ Commits the company to disclose political donations and/or lobbying expenditures

Sources

Repsol Anti-Corruption Policy, released March 2017

Appendix



Management Details

G.3.3.1 - Transparency on Government Payments

100	5.00%	5.0
Raw Score	Weight	Weighted Score
The company supports the EITI and it is highly transparent on payments to host governments		
The company is a member of the EITI and discloses its material payments to governments in which it operates.		

Sources

Repsol Corporate Website, Cooperative relations and environment.
www.repsol.com; accessed on June 2020

Appendix



Exposure Details



Business Ethics

EA.E.2 - Accounting and Taxation

0.01

Beta Signal

The company is involved in low-level controversies of this type, signaling higher exposure to this issue.

EA.E.4 - Anti-Competitive Practices

0.02

Beta Signal

The company is involved in moderate-level controversies of this type, signaling higher exposure to this issue.

EA.E.7 - Business Ethics

0.01

Beta Signal

The company is involved in low-level controversies of this type, signaling higher exposure to this issue.

EA.E.21 - Intellectual Property

0.00

Beta Signal

The company is not involved in any controversies of this type.

EA.E.23 - Lobbying and Public Policy

0.00

Beta Signal

The company is not involved in any controversies of this type.

EA.E.30 - Sanctions

0.00

Beta Signal

The company is not involved in any controversies of this type.

EA.F.1 - Operating Performance

0.00

Beta Signal

The company has an average net income margin.

Average Net Income Margin (2016-2018): 4.3%
Subindustry Median (2016-2018): 5.31%
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.2 - Solvency

0.00

Beta Signal

The company has an average debt-equity ratio.

Debt to Equity Ratio (2018-2016): 0.59
Subindustry Median (2018-2016): 0.51
Source: Morningstar, October 2019. All Rights Reserved.

Appendix



Exposure Details

EA.F.3 - Financial Flexibility

0.00

Beta Signal

The company has an average cash flow ratio.

Free Cash Flow Ratio (2018-2016): 4.04%

Subindustry Median (2018-2016): 4.62%

Source: Morningstar, October 2019. All Rights Reserved.

EA.F.4 - Asset Performance

0.00

Beta Signal

The company has an average return on assets.

Return on Assets (2018-2016): 2.9%

Subindustry Median (2018-2016): 3.07%

Source: Morningstar, October 2019. All Rights Reserved.

EA.S.1 - Qualitative Overlay

0.00

Beta Signal

The analyst did not apply a qualitative overlay.

EA.S.2 - Subindustry Correction Factor

- 0.05

Beta Signal

EA.S.3 - Exceptional Event Adjustment

0.00

Beta Signal

Appendix



Management Details

G.1.2 - Whistleblower Programmes

100	24.00%	24.0
Raw Score	Weight	Weighted Score

The company has a very strong programme

Criteria

- ☒ Proactively communicated to employees
- ☒ Available to suppliers, customers and other third parties
- ☒ An independent, reporting hotline available 24/7
- ☒ Possibility for anonymous reporting and reports are treated confidentially
- ☒ Non-retaliation policy
- ☐ Structures in place to process whistleblower reports
- ☒ Disclosure on the number of reports received, the types of misconduct and measures taken
- ☒ Available in local languages

Sources

Repsol -2019 Integrated Management Report
 Repsol Anti-Corruption Policy, released March 2017
 Repsol Ethics & Compliance Channel

G.3.1 - Political Involvement Policy

100	22.00%	22.0
Raw Score	Weight	Weighted Score

The company has a strong policy

Criteria

- ☒ Prohibits political involvement of any kind on the company's behalf
- ☐ Partially prohibits political involvement
- ☒ Approved by senior management
- ☐ Commits the company to disclose political donations and/or lobbying expenditures

Sources

Repsol Anti-Corruption Policy, released March 2017

G.3.2 - Lobbying and Political Expenses

0	22.00%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company made more than USD 0.5 million in political contributions or political spending in the last three years

Repsol holds membership in a number of sector organisations that lobby in European institutions. In 2019, the company's expenditure related to direct lobbying and working group activities in the European Union was more than USD 500,000.
 In the US, according to the Centre for Responsive Politics, the company spent the following amounts in lobbying over the last 3 years:
 -2019: USD 160,000
 -2018: USD 80,000
 -2017: USD 110,000
 -2016: USD 140,000

Sources

Center for Responsive Politics Website, Repsol S.A, www.opensecrets.org; accessed on June 2020
 European Union Website, Transparency Register, www.ec.europa.eu; accessed on June 2020

G.3.3.1 - Transparency on Government Payments

100	12.00%	12.0
Raw Score	Weight	Weighted Score

The company supports the EITI and it is highly transparent on payments to host governments

The company is a member of the EITI and discloses its material payments to governments in which it operates.

Sources

Repsol Corporate Website, Cooperative relations and environment. www.repsol.com; accessed on June 2020

Appendix



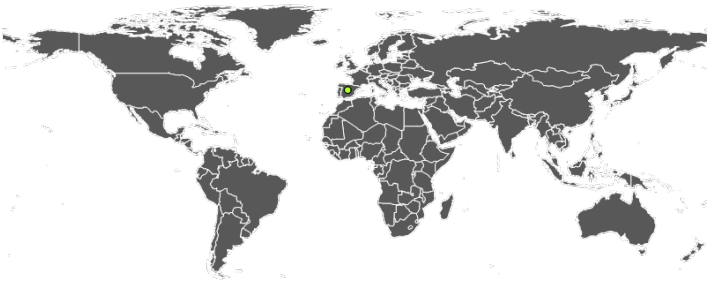
Management Details

Anti-Competitive Practices Events



Category 2 Event - Moderate

Incident History



Locations: Spain

Tags: Anti-competitive Practices

Spanish regulator issues fine over failure to address price-fixing issues
CE Noticias Financieras English - 18 December 2020

Update: Regulator sanctions company for price-fixing in Spain
CE Noticias Financieras English - 22 September 2020

Update: Spanish court upholds price-fixing fine
Economía Digital - 08 June 2019

Update: Spanish court annuls fine over price-fixing allegations
intereconomía - 28 August 2017

Appendix



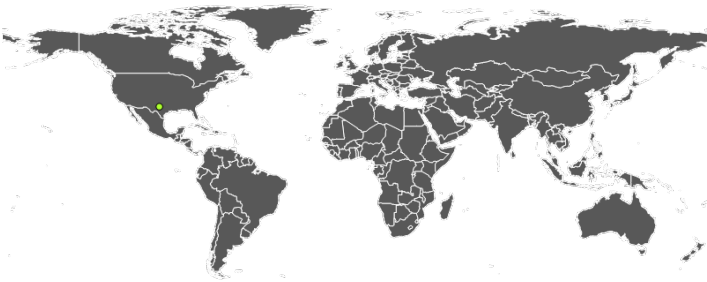
Management Details

Accounting and Taxation Events



Category 1 Event - Low

Incident History



Jury award for alleged accounting fraud and contract breach, Eagle Ford
Law360 - 22 September 2017

Locations: Texas, USA

Tags: Accounting Irregularities and Accounting Fraud

Appendix



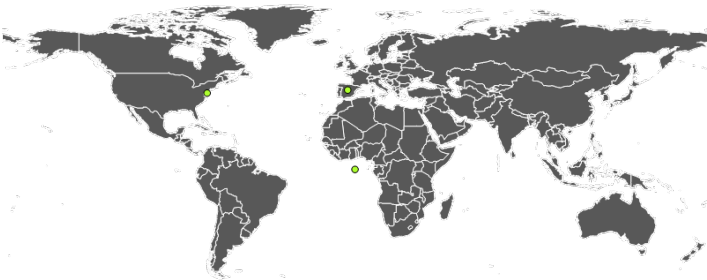
Management Details

Business Ethics Events



Category 1 Event - Low

Incident History



Locations: Spain, Delaware, USA

Tags: Business Ethics -Other

Spanish court charges former security manager over corporate spying
24Espana.com - 23 November 2020

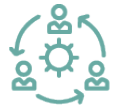
Update: Spanish National Court probes spying allegations
CE Noticias Financieras English - 20 December 2019

Maxus Energy lawsuit over Chapter 11 protection used to avoid liabilities
Law360 - 15 June 2018

Appendix



Exposure Details



Human Capital

EA.E.22 - Labour Relations

0.00

Beta Signal

The company is not involved in any controversies of this type.

EA.E.47 - Employees - Human Rights

0.00

Beta Signal

The company is not involved in any controversies of this type.

EA.F.1 - Operating Performance

0.00

Beta Signal

The company has an average net income margin.

Average Net Income Margin (2016-2018): 4.3%
Subindustry Median (2016-2018): 5.31%
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.2 - Solvency

0.00

Beta Signal

The company has an average debt-equity ratio.

Debt to Equity Ratio (2018-2016): 0.59
Subindustry Median (2018-2016): 0.51
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.3 - Financial Flexibility

0.00

Beta Signal

The company has an average cash flow ratio.

Free Cash Flow Ratio (2018-2016): 4.04%
Subindustry Median (2018-2016): 4.62%
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.4 - Asset Performance

0.00

Beta Signal

The company has an average return on assets.

Return on Assets (2018-2016): 2.9%
Subindustry Median (2018-2016): 3.07%
Source: Morningstar, October 2019. All Rights Reserved.

EA.S.1 - Qualitative Overlay

0.00

Beta Signal

The analyst did not apply a qualitative overlay.

EA.S.2 - Subindustry Correction Factor

0.00

Beta Signal

Appendix

 Exposure Details

EA.S.3 - Exceptional Event Adjustment

0.00
Beta Signal

Appendix



Management Details

S.1.1 - Freedom of Association Policy

100	12.50%	12.5
Raw Score	Weight	Weighted Score

The company has a strong policy on freedom of association

The company commits to act in accordance with the Ten Principles of the United Nations Global Compact which includes Principle 3 -Business should uphold the freedom of association and the effective recognition of the right to collective bargaining -as well as to respect the rights established in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

Sources

Repsol Human Rights and Community Relations Policy, released June 2019

S.1.3 - Diversity Programmes

100	22.50%	22.5
Raw Score	Weight	Weighted Score

The company has a strong programme

Criteria

- ☒ Initiatives supporting a diverse workforce
- ☒ Diversity monitoring or audits
- ☒ Mentorship programmes
- ☒ Managerial or board level responsibility for diversity initiatives
- ☒ Targeted recruitment
- ☒ Training and guidance regarding diversity
- ☐ Diversity initiatives that go beyond legal compliance
- ☒ Employee affinity groups, diversity councils, or networking groups

Sources

Repsol -2019 Annual Corporate Governance Report
Repsol -2019 Integrated Management Report

S.1.5 - Employee Turnover Rate

0	20.00%	0.0
Raw Score	Weight	Weighted Score

The company's employee turnover rate is high

In 2019, the company's turnover rate was approximately 21%

Sources

Repsol -2019 Integrated Management Report

S.1.5.2 - Human Capital Development

100	45.00%	45.0
Raw Score	Weight	Weighted Score

The company has a very strong programme

Criteria

- ☒ Initiatives for talent recruitment
- ☒ Initiatives for talent development
- ☒ Initiatives for talent retention
- ☒ Regular formal performance reviews for all permanent employees aligned with career development
- ☐ Quantitative targets related to human capital development
- ☒ Formal mechanisms to promote an open feedback culture
- ☒ Reporting on human capital development metrics
- ☒ Reporting on human capital risk assessment

Sources

Repsol -2019 Integrated Management Report
Repsol Corporate Website, Students and graduates, www.repsol.com; accessed on June 2020
Repsol Feedback with Comments -June 2020

Appendix



Exposure Details



Resource Use

EA.E.33 - Water Use

0.00

Beta Signal

The company is not involved in any controversies of this type.

EA.F.1 - Operating Performance

0.00

Beta Signal

The company has an average net income margin.

Average Net Income Margin (2016-2018): 4.3%
Subindustry Median (2016-2018): 5.31%
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.2 - Solvency

0.00

Beta Signal

The company has an average debt-equity ratio.

Debt to Equity Ratio (2018-2016): 0.59
Subindustry Median (2018-2016): 0.51
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.3 - Financial Flexibility

0.00

Beta Signal

The company has an average cash flow ratio.

Free Cash Flow Ratio (2018-2016): 4.04%
Subindustry Median (2018-2016): 4.62%
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.4 - Asset Performance

0.00

Beta Signal

The company has an average return on assets.

Return on Assets (2018-2016): 2.9%
Subindustry Median (2018-2016): 3.07%
Source: Morningstar, October 2019. All Rights Reserved.

EA.S.1 - Qualitative Overlay

0.00

Beta Signal

The analyst did not apply a qualitative overlay.

Appendix

 Exposure Details

EA.S.2 - Subindustry Correction Factor

0.00
Beta Signal

EA.S.3 - Exceptional Event Adjustment

0.00
Beta Signal

Appendix



Management Details

E.1.1 - Environmental Policy

100	7.50%	7.5
Raw Score	Weight	Weighted Score

The company has a very strong policy

Criteria

- ☒ Commitment to environmental protection
- ☒ Commitment to create environmental awareness
- ☒ Commitment to implement an environmental management system
- ☒ Commitment to use natural resources or energy more efficiently
- ☒ Commitment to reduce emissions, releases and waste
- ☒ Commitment to monitor the company's environmental performance
- ☐ Commitment to report regularly on environmental issues
- ☒ Commitment to consult with stakeholders on environmental issues
- ☒ Approved by senior management or the board of directors

Sources

Repsol Health, Safety and Environmental Policy, released March 2017
Repsol Sustainability Policy, released March 2017

E.1.2 - Environmental Management System

100	10.00%	10.0
Raw Score	Weight	Weighted Score

The company has a very strong EMS

Criteria

- ☒ Managerial or board level responsibility for environmental issues
- ☒ Identification of products, activities and services that have significant impacts on the environment
- ☒ Compliance with environmental regulation
- ☒ Objectives, targets and deadlines
- ☒ Environmental programmes
- ☒ Assigned roles and responsibilities
- ☒ Training and awareness programmes for employees
- ☒ Internal and external communications on environmental management issues
- ☒ Monitoring and measurement
- ☒ Environmental performance records
- ☒ External environmental audits
- ☒ Internal environmental audits
- ☒ Corrective actions to stimulate continual improvement

Sources

2020 Global Sustainability Plan
Repsol -2019 Annual Corporate Governance Report
Repsol -2019 Integrated Management Report
Repsol Corporate Website, Environment, www.repsol.com, accessed on 02 June 2020
Repsol -2019 Sustainability Plans

E.1.2.7 - Water Intensity

100	15.00%	15.0
Raw Score	Weight	Weighted Score

The company's water intensity is well below the industry median

Repsol, S.A. Integrated Annual Report 2019

E.1.2.7.1 - Water Risk Management

100	35.00%	35.0
Raw Score	Weight	Weighted Score

The company has a strong programme

Criteria

- ☒ Recognition of the risks posed by water scarcity or the absence of such risks
- ☒ Managerial or board level responsibility for addressing risks posed by water scarcity
- ☒ Integration of water scarcity into regular risk assessments and business strategy
- ☐ Detailed reporting on risks posed by water scarcity or their absence
- ☒ Reporting on contextualized water metrics
- ☒ Participation in relevant multistakeholder or industry initiatives

Sources

Repsol -2019 Annual Corporate Governance Report
Repsol -2019 Integrated Management Report

Appendix



Management Details

E.1.3 - EMS Certification

100	5.00%	5.0
Raw Score	Weight	Weighted Score

90% or more of the company's activities have received external certification

E.1.3.4 - Water Management Programmes

50	27.50%	13.8
Raw Score	Weight	Weighted Score

The company has an adequate programme

Criteria

- ☒ Policy commitment to reduce water use
- ☒ Managerial responsibility for water use
- ☒ Initiatives to reduce fresh water use
- ☐ Water reduction targets and deadlines
- ☒ Water use monitoring and measurement
- ☒ Water use reporting

Sources

Repsol -2019 Annual Corporate Governance Report
 Repsol -2019 Integrated Management Report
 Repsol Corporate Website, Environment, www.repsol.com, accessed on 02 June 2020
 Repsol Sustainability Policy, released March 2017

Appendix



Exposure Details



Land Use and Biodiversity

EA.E.12 - Land Use and Biodiversity

0.00

Beta Signal

The company is not involved in any controversies of this type.

EA.F.1 - Operating Performance

0.00

Beta Signal

The company has an average net income margin.

Average Net Income Margin (2016-2018): 4.3%
Subindustry Median (2016-2018): 5.31%
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.2 - Solvency

0.00

Beta Signal

The company has an average debt-equity ratio.

Debt to Equity Ratio (2018-2016): 0.59
Subindustry Median (2018-2016): 0.51
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.3 - Financial Flexibility

0.00

Beta Signal

The company has an average cash flow ratio.

Free Cash Flow Ratio (2018-2016): 4.04%
Subindustry Median (2018-2016): 4.62%
Source: Morningstar, October 2019. All Rights Reserved.

EA.F.4 - Asset Performance

0.00

Beta Signal

The company has an average return on assets.

Return on Assets (2018-2016): 2.9%
Subindustry Median (2018-2016): 3.07%
Source: Morningstar, October 2019. All Rights Reserved.

EA.G.1 - Headquarters Location

- 0.02

Beta Signal

The location of the company's headquarters indicates slightly lower exposure to this issue.

Spain: Slightly lower exposure
Source: Sustainalytics Country Risk Rating, May 2019.

Appendix

Exposure Details

EA.G.2 - Assets Location

- 0.05
Beta Signal

The location of the company's assets indicates slightly lower exposure to this issue.

Europe: 46% (Slightly lower exposure)
North America: 42% (Slightly lower exposure)
Other: 12%
Source: Sustainalytics Country Risk Rating, May 2019."
Morningstar, October 2019. All Rights Reserved.

EA.S.1 - Qualitative Overlay

0.00
Beta Signal

The analyst did not apply a qualitative overlay.

EA.S.2 - Subindustry Correction Factor

0.00
Beta Signal

EA.S.3 - Exceptional Event Adjustment

0.00
Beta Signal

Appendix



Management Details

E.1.2 - Environmental Management System

100	30.00%	30.0
Raw Score	Weight	Weighted Score

The company has a very strong EMS

Criteria

- ☒ Managerial or board level responsibility for environmental issues
- ☒ Identification of products, activities and services that have significant impacts on the environment
- ☒ Compliance with environmental regulation
- ☒ Objectives, targets and deadlines
- ☒ Environmental programmes
- ☒ Assigned roles and responsibilities
- ☒ Training and awareness programmes for employees
- ☒ Internal and external communications on environmental management issues
- ☒ Monitoring and measurement
- ☒ Environmental performance records
- ☒ External environmental audits
- ☒ Internal environmental audits
- ☒ Corrective actions to stimulate continual improvement

Sources

2020 Global Sustainability Plan
 Repsol -2019 Annual Corporate Governance Report
 Repsol -2019 Integrated Management Report
 Repsol Corporate Website, Environment, www.repsol.com, accessed on 02 June 2020
 Repsol -2019 Sustainability Plans

E.1.2.1 - Biodiversity Programmes

100	50.00%	50.0
Raw Score	Weight	Weighted Score

The company has a very strong programme

Criteria

- ☒ Managerial or board level responsibility for biodiversity issues
- ☒ Identification of biodiversity priority areas
- ☒ Biodiversity management plans for priority areas
- ☐ Systematic consideration of local threats to biodiversity beyond the company's business activities
- ☒ Implementation of best-practice mitigation hierarchy
- ☐ Targets and deadlines related to biodiversity
- ☒ Engagement with local residents or biodiversity experts
- ☒ Reporting on biodiversity programmes or impacts
- ☐ Formal policy commitment to avoid operating in areas with the highest biodiversity value
- ☐ Formal commitment to 'no net loss' or having a 'net positive impact' on biodiversity
- ☐ Formal commitment to minimise impact on biodiversity or to consider biodiversity in planning

Sources

Repsol -2019 Integrated Management Report
 Repsol Corporate Website, Biodiversity Protection, www.repsol.com; accessed on June 2020

E.1.3 - EMS Certification

100	20.00%	20.0
Raw Score	Weight	Weighted Score

90% or more of the company's activities have received external certification

Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

GLOSSARY OF TERMS

Beta (Beta, β)

A factor that assesses the degree to which a company's exposure deviates from its **subindustry's** exposure on a **material ESG issue**. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

Corporate Governance Pillar

A pillar provides a signal about a company's management of a specific Corporate Governance issue.

ESG Risk Category

Companies' **ESG Risk Rating scores** are assigned to five ESG risk categories in the **ESG Risk Rating**:

	Negligible risk: enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
	Low risk: enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
	Medium risk: enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
	High risk: enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
	Severe risk: enterprise value is considered to have a severe risk of material financial impacts driven by ESG factors

Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

ESG Risk Rating Score (Unmanaged Risk Score)

The company's final score in the **ESG Risk Rating**; it applies the concept of **risk decomposition** to derive the level of **unmanaged risk** for a company.

Event Category

Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

Event Indicator

An indicator that provides a signal about a potential failure of management through involvement in controversies.

Excess Exposure

The difference between the company's **exposure** and its **subindustry exposure**.

Exposure

A company or **subindustry's** sensitivity or vulnerability to ESG risks.

Idiosyncratic Issue

An issue that was not deemed material at the **subindustry** level during the **consultation process** but becomes a **material ESG issue** for a company based on the occurrence of a Category 4 or 5 event.

Manageable Risk

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

Managed Risk

Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

Management

A company's handling of ESG risks.

Management Gap

Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

Management Indicator

An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

Material ESG Issue

A core building block of the **ESG Risk Rating**. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given **subindustry**.

Subindustry

Subindustries are defined as part of Sustainalytics' own classification system.

Unmanageable Risk

Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

Unmanaged Risk

Material ESG risk that has not been managed by a company, and includes two types of risk: **unmanageable risk**, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (**management gap**).

Repsol, S.A.

Integrated Oil & Gas Spain MCE:REP

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