



# OVERVIEW

## 2019 SUSTAINABILITY PLAN

United States



# 2019 Sustainability Plan Overview



At the end of the year, it is time to review each of the initiatives that are part of the Sustainability Plan. The degree to which the objectives have been fulfilled is as follows:

**9** Actions / **100%** Fulfillment

	<b>Ethics and transparency</b> ⋮	<b>2 ACTIONS</b>
	<b>People</b> ⋮	<b>1 ACTION</b>
	<b>Safe operation</b> ⋮	<b>2 ACTIONS</b>
	<b>Environment</b> ⋮	<b>2 ACTIONS</b>
	<b>Climate change</b> ⋮	<b>1 ACTION</b>
	<b>Innovation and technology</b> ⋮	<b>1 ACTION</b>

Further down, you can obtain more detailed information for each of the actions included in the plan, their indicators, and all other relevant information.

# 2019 Sustainability Plan

## Noteworthy projects



In the United States, Repsol fulfilled all of its sustainability commitments in 2019. We would like to highlight three noteworthy projects in particular:

### Innovative technology to reduce emissions

We launched bi-fuel skid technology at our operations in the Marcellus Shale that uses produced natural gas to fuel our drilling operations, and we executed a leak detection and repair program to reduce emissions. These actions support Repsol's commitment to achieve net zero emissions by 2050.



### OECD initiative to advance transparency and ethics

We participated in the voluntary OECD International Compliance Assurance Program to advance transparency in tax compliance.

This action aligns with Repsol's global objective to be recognized as an honest and transparent company and supports the UN Agenda 2030 Sustainable Development Goal 16 for Peace, Justice and Strong Institutions.

### STEM education to build the future of energy

We supported robotics programs in Texas and Pennsylvania, and we sponsored STEM day camps for students at Space Center Houston. We joined with GeoFORCE Texas at the University of Texas to mentor high school students, and our employees shared their enthusiasm for STEM through career presentations and visits to our operations.







# PRESENTATION

## 2019 SUSTAINABILITY PLAN

United States



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### Legal Notice

This Sustainability Plan includes a set of actions which, in whole or in part, go beyond what is required by law and are aimed to contribute to sustainable development. Participating companies of Repsol Group have the firm intention to undertake and fulfill them. However, they reserve the right to modify, postpone or cancel their implementation without incurring liability, but undertake to publicly justify these possible cases.

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# 1 Our vision of sustainability Preparation of this Plan




**At Repsol, we contribute to sustainable development** by seeking to satisfy the growing demand for energy, which is essential for the fulfillment of people's fundamental rights, and by creating value in both the short and long term.

**We maximize our positive impact and minimize our negative impact** on society and the environment throughout our value chain by acting ethically and transparently. In doing so, we seek to comply not only with the regulations in force but also with the main international standards.

Under these premises, our sustainability model incorporates ethical, environmental, and social considerations into our decision-making process, based on dialogue with stakeholders. We do this every year, creating initiatives that address the concerns of these stakeholders. This is how the **Sustainability Plans** — action plans that are available to the public and created on an annual basis — are born. The **Global Sustainability Plan** is the roadmap forming the basis for deployment of **Local Plans**. The plans also contain commitments in relation to the local context.

The **Sustainability Plans** are put together on the basis of the **six axes** of Repsol's Sustainability Model.




**Ethics and transparency**

We act responsibly and with integrity wherever we operate




**People**

We are committed to people and promote their development and social environment



**Safe operation**

We guarantee the safety of our employees, contractors, partners, and the local community



**Environment**

We consume the resources needed to generate power more efficiently and with the least possible impact



**Climate change**

We want to be part of the solution to climate change



**Innovation and technology**

We encourage innovation and incorporate technological advances to improve and develop ourselves and our environment



At Repsol we support the United Nations' **2030 Agenda** for Sustainable Development and use the 17 Sustainable Development Goals (SDGs) as a reference when defining our priorities.

We have drawn up this **prioritization** in due consideration of the SDGs considered most relevant to the company and our stakeholders, concluding that our efforts must primarily focus on **SDG 7** (Affordable and clean energy), on **SDG 8** (Decent work and economic growth) and on **SDG 13** (Climate action), in view of our role in access to energy, contribution to social and economic development, and the fight against climate change.

And, secondly, on **SDG 6** (Clean water and sanitation), due to our commitment to the optimization of water management; on **SDG 9** (Industry innovation and infrastructure), in view of our support of innovation and technology; and on **SDG 12** (Responsible production and consumption), due to our focus on the Circular Economy.

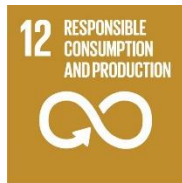
For Repsol, the most efficient manner of contributing to the 2030 Agenda is by collaborating with other public and private institutions to exchange knowledge and technologies. Thus we feel it is essential to join forces in connection with **SDG 17** (Partnerships for the goals).



Moreover, our responsibility in the way we act and our global presence in some extremely diverse environments enable us to make a significant contribution to all the SDGs.



The **actions** of which this **Plan** is composed, defined in due consideration of the local context, help support **2030 Agenda** by addressing the following goals:





2019 Sustainability  
Plan  
United States

9 Actions

- ☑ —
- —
- —

 Ethics and  
transparency

2 ACTIONS

 People

1 ACTION

 Safe  
operation

2 ACTIONS

 Environment

2 ACTIONS

 Climate  
change

1 ACTION

 Innovation  
and technology

1 ACTION

#### At Repsol, we contribute to sustainable development...

**We act with integrity** in all countries in which we are present. Our ethical conduct involves strict compliance with both the letter and the spirit of the law.

On this axis, we establish the set of actions that ensure the Company promotes and encourages a **culture of integrity and responsibility** for all Repsol employees, as well as our suppliers, contractors, and business partners.

We also define **transparency and accountability** as differential elements in the Repsol sustainability model. To be credible, it must be consistently transparent.

In this Sustainability Plan, we have committed to actions that will help the Company overcome the challenges we have set for ourselves in this area, while responding to the main expectations of our stakeholders.



Good governance practices

Transparency

Responsible tax policy

Anti-corruption

Fair competition

Responsible political involvement

Fair marketing and sales



## ACTION

Promote cooperative relationships with tax authorities participating in the International Compliance Assurance Program (ICAP).

## DESCRIPTION

We will demonstrate transparency and collaboration with tax authorities by actively participating in the International Compliance Assurance Program (ICAP).

## INDICATOR

Active participation of the US Tax Team in the International Compliance Assurance Program (ICAP) to support Repsol's global initiative to promote tax transparency.

## WHAT HAVE WE ACHIEVED?



We have supported the global advancement of transparency and efficiency in tax compliance by actively participating in the voluntary OECD International Compliance Assurance Program (ICAP), and we have been confirmed as a "Low Risk" taxpayer for the tax year 2016, with plans to file for this qualification for tax years 2017 and 2018 as well.

## CONTRIBUTION TO THE SDGs:



## ACTION

Promote the Culture of Compliance within the trading and marketing organizations.

## DESCRIPTION

We will enhance our Third Party Risk Management (TPRM) Program to further minimize risks of corruption and sanctions, and our Trade Monitoring (TM) Program to further promote market integrity.

## INDICATOR

Implement a risk assessment and training to strengthen our TPRM Program, and identify reporting and process improvements for our TM Program.

## WHAT HAVE WE ACHIEVED?



We have enhanced our global third-party due diligence practice for all of our business partners to further comply with applicable regulations, and we have adopted and developed a host of industry-leading digital analytics tools to improve our compliance risk management, in order to ensure that Repsol respects and contributes to the market integrity and promotes ethics and fair dealing with our business partners.

## CONTRIBUTION TO THE SDGs:





### At Repsol, we contribute to sustainable development...

Our employees, communities, commercial relations, and customers are a primary axis in our sustainability model.

We know that the **people that make up Repsol** are our main competitive advantage and the key to being a sustainable company. We are committed to equal opportunities, the integration of people with disabilities, multi-culturalism, work-life balance, training and development, and attracting and retaining talent.

Business operations are carried out in an increasingly demanding and informed social environment, and companies strive to **establish sound relationships** based on the principles of respect, cultural sensitivity, integrity, accountability, transparency, good faith, and non-discrimination with the people they interact with, particularly local communities. At Repsol, we are committed to continue respecting human rights, and this means preventing our activities from having negative consequences for local people and, if such a thing does occur, doing everything possible to repair the damage done.

This axis includes the following initiatives.



Respect for Human Rights (labor rights and employment conditions, health, rights of vulnerable groups and others)

Grievance mechanisms

Diversity and work-life balance

Climate and talent retention

Opportunity management (training and development, dialogue with communities, and social investment)



### ACTION

Promote an integrated culture of diversity and inclusion.

### DESCRIPTION

We will continue to build and promote a culture of integration and diversity to promote pride in belonging among employees and contractors.

### INDICATOR

Form a diversity and inclusion committee for the Marcellus BU, and define and implement an action plan.

Continue building on the action plan for the diversity and inclusion committee in the Houston Office.

### WHAT HAVE WE ACHIEVED?



We have formed a diversity and inclusion committee with 20 members in the Marcellus BU, and we have launched an action plan focused on gender, cultural, age and disabilities. We have redesigned the diversity and inclusion committee in Houston to drive continuous improvement and ensure accountability through four subcommittees focused on specific action plans for gender, cultural, age and disabilities. We have engaged a diversity and inclusion consultant to advance our strategy in 2020.

### CONTRIBUTION TO THE SDGs:



### At Repsol, we contribute to sustainable development...

We pursue a target of **Zero Accidents** with a high level of safety in our processes and facilities, paying particular attention to the protection of people and the surrounding environment, and to the awareness of our **suppliers and contractors**.

In 2018, in the conviction that Safety and the Environment form the basis of value creation, excellence and responsibility, we launched our **2025 Safety and Environment Strategy**. We have established the key lines of action on which the Company will focus its Safety efforts up to 2025: we intend to drive culture, transformational leadership and awareness in connection with Safety and the Environment. Here one of the key features is **safety in our processes**, where we intend to lead the industry through management of our risks, the integrity of our facilities, and better preparation for crises and emergencies.

By way of a demonstration of our commitment, safety targets may have an **impact on the variable remuneration** of our employees of more than 15%.

Below we demonstrate courses of action pointing to our commitment to safety.

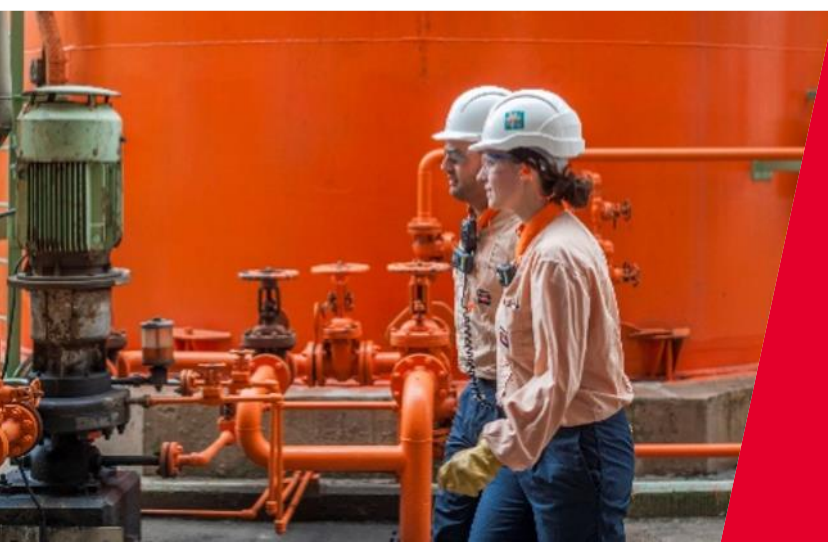


Prevention of personal, process,  
and transportation accidents

Incident Management

Emergency management

Safety in product use



### ACTION

Drive continuous improvement to our safe operations.

### DESCRIPTION

We will develop a strategy to improve our safety performance focused on our contractors.

### INDICATOR

Develop a vehicle management plan for Repsol contractors.

### WHAT HAVE WE ACHIEVED?



We have completed a gap analysis of our operations in the Marcellus BU against the requirements outlined in the Repsol E&P Land Transport Procedure and implemented the procedure locally, with the exception of some requirements for which we will seek a Management of Change.

### CONTRIBUTION TO THE SDGs:





### ACTION

Promote and protect the safety of people and our business.

### DESCRIPTION

We will promote a culture of safety awareness for our employees, and partners in our assets and the places where we work.

### INDICATOR

Develop a business continuity plan for the Marcellus Business Unit.

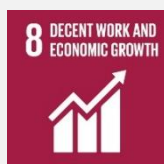
Host at least three learning sessions including drug awareness, workplace violence and active assailant.

### WHAT HAVE WE ACHIEVED?



We have developed and implemented a business continuity plan for the Marcellus Business Unit to protect the safety of people and our business. We have hosted three training sessions for employees in Texas for Drug Awareness, Workplace Violence and Active Assailant with support from local first responder agencies.

### CONTRIBUTION TO THE SDGs:



### At Repsol, we contribute to sustainable development...

We share the concerns of society in relation to the need to look after the environment in which we live. We seek **minimum impact of our operations**, minimizing atmospheric emissions, optimizing water management, waste management, reduction of discharge pollutants, improvements to prevention systems and response to spills, considering biodiversity as a key component.

Our 2025 Safety and Environment Strategy, launched in 2018, establishes the key lines of action on which the Company will focus its environmental efforts up to 2025: we must be able to **quantify and assess environmental impacts and dependences** in order to back business decisions, placing the emphasis on more sensitive aspects wherever we operate, particularly water; our goal will also be to maintain a social license by means of **excellent sustainable environmental management** throughout the entire life cycle of our projects and operations. All this enhances the generation of new opportunities within the **Circular Economy**, making efficient use of natural resources, with criteria of maximum efficiency, maximum transparency and lesser environmental impact.

This Sustainability Plan is committed to courses of action in accordance with the lines of work which Repsol operates in terms of sustainability.



Efficient management of natural resources

Environmental impact minimization



### ACTION

Actively contribute to minimize the amount of waste sent to landfill.

### DESCRIPTION

We will continue to promote eco-friendly awareness and initiatives to minimize environmental impacts.

### INDICATOR

Campaign for battery recycling with collection bin for internal use through three internal communications.

### WHAT HAVE WE ACHIEVED?



We have safely recycled batteries collected from employees by launching an internal campaign to reduce waste, and we have facilitated participation with three internal communications by email and digital signage.

### CONTRIBUTION TO THE SDGs:



### ACTION

Integrate environmental management into decision making.

### DESCRIPTION

We will identify and mitigate environmental impacts from our operations.

### INDICATOR

Perform a Root Cause Analysis in the Marcellus Business Unit, as outlined in the Repsol E&P Management of Environmental Situations Procedure.

### WHAT HAVE WE ACHIEVED?



We have performed a Root Cause Analysis to advance environmental safeguards in alignment with the global procedure in Repsol, and we have approved preventative actions with the operations and leadership teams.

### CONTRIBUTION TO THE SDGs:





### At Repsol, we contribute to sustainable development...

We share society's concern about the effect that human activity is having on the climate and we are firmly committed to the aspiration of limiting the increase in the planet's global average temperature well below 2°C with regard to pre-industrial levels.

Our challenge is to supply energy in a safe, efficient, accessible and sustainable manner, reducing Greenhouse Gas (GHG) emissions in line with the objectives of the Paris Agreement and the Sustainable Development Goals of the United Nations (SDGs).

Repsol aims to achieve net zero emissions by 2050, making it the first oil and gas company in the world to assume this ambitious goal. It is possible to achieve at least 70% of this target with the technology that can currently be foreseen, and we are committed to applying the best available technologies to increase this figure, including carbon capture, use and storage. We would, if necessary, additionally offset emissions through reforestation and other natural climate sinks to achieve zero net emissions by 2050.

Accordingly, we have joined the Oil and Gas Climate Initiative (OGCI) to share best practices and technology solutions, and participate in the OGCI Climate Investment Fund, to channel the committed investment of \$1 billion over ten years in the development of technologies to reduce GHG emissions on a significant scale.

There follows a list of Sustainability Plan actions in this regard.



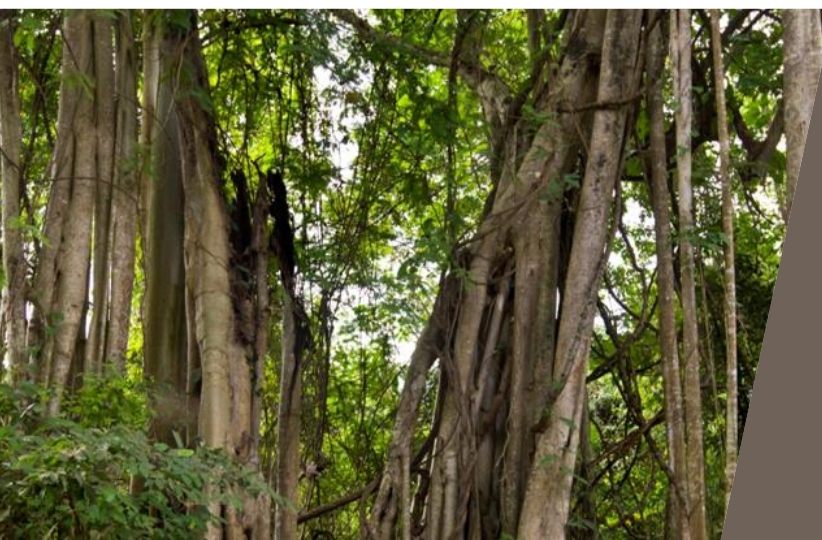
Efficient energy management

Drive the reduction of GHG emissions

Encourage the use of natural gas in electricity generation

Sustainable mobility

Low-emissions economy model



### ACTION

Actively contribute to the reduction of GHG emissions.

### DESCRIPTION

We will identify opportunities to reduce methane emissions from our operations.

### INDICATOR

Develop and implement an action plan to reduce methane emissions in the Marcellus Business Unit.

### WHAT HAVE WE ACHIEVED?



We have implemented bi-fuel skid technology that uses produced natural gas to fuel our drilling operations, and we have executed the Leak Detection and Repair Program to reduce methane emissions from our operations. We have identified additional opportunities within our gathering and compression systems and commenced feasibility studies to assess their potential viability to reduce emissions.

### CONTRIBUTION TO THE SDGs:



#### At Repsol, we contribute to sustainable development...

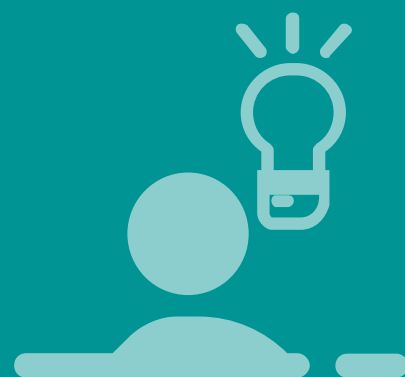
A sustainable future requires **companies that invest in science and technology** to meet the current and future energy challenges through real solutions. We believe in technological innovation as a way to build more efficient and environmentally sustainable energy systems.

At Repsol, we are committed to building a **network of partnerships with universities and research centers**. This promotes the implementation of ambitious ideas that enable us to confront the challenges we are facing and build a sustainable future, in line with our commitment to the environment.

Technology is evolving at vertiginous speed, and we must be able to incorporate technological advances at the moment they occur. Therefore, we have an ambitious digitalization program that will transform the company, promote cultural change and allow us to develop digital solutions to satisfy new forms of energy consumption.

Similarly, we forge alliances and contribute to the growth of companies in emerging areas related to reliability in operations, circular economy, advanced mobility, energy diversification, new materials and digital technologies applied to exploration and production.

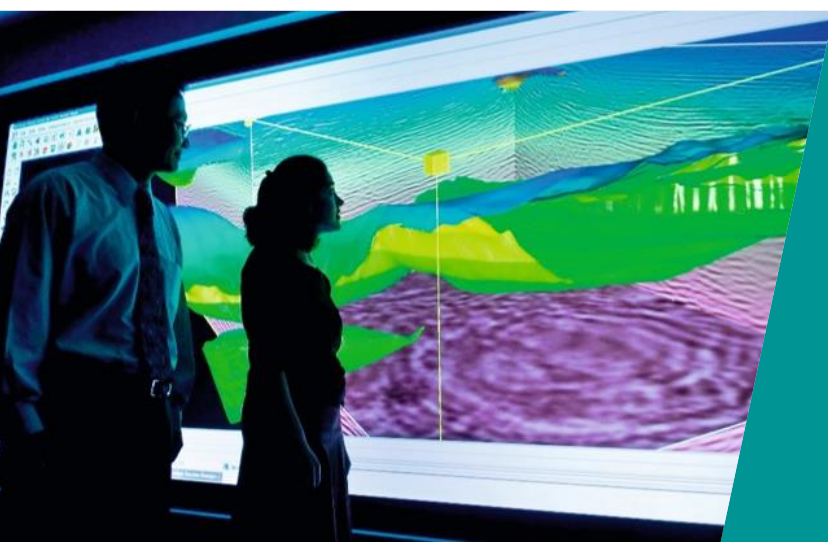
This Sustainability Plan includes a commitment to the following actions, in step with the lines of work that Repsol has set on this axis of sustainability.



Boost innovative activity

Use of new technologies

Promote training and facilitate the development of the environment



### ACTION

Promote innovation and technology in our community.

### DESCRIPTION

We will actively support initiatives that promote STEM (science, technology, engineering and math) education for local students.

### INDICATOR

Support at least two educational initiatives that promote robotics.

Partner with at least one non-profit to provide STEM activities for students with disabilities.

Collaborate with at least one university to provide STEM mentorship.

Host at least one site visit and two presentations to promote STEM careers.

### WHAT HAVE WE ACHIEVED?



We have supported two robotics initiatives for high school students in Pennsylvania and Texas. We have sponsored STEM day camps for students with sensory disabilities at Space Center Houston. We have actively participated in a program with the University of Texas to mentor high school students in STEM. We have hosted two site visits for middle and high school students at our MBU operations, and we have presented about STEM careers at three high schools in Pennsylvania and Texas.

### CONTRIBUTION TO THE SDGs:





### **This Sustainability Plan is a dynamic document.**

Each year we will give an account of the extent to which the actions that make up this Plan have been carried out by publishing a monitoring report.

Moreover, given that the expectations of our stakeholders and the issues that concern them are changeable and subject to the evolution of events during the course of the year, this Plan will be updated annually with new actions or the reformulation of existing ones to adapt them to the new situation.

The successive updates of the plan will leave behind them a trail of completed actions that, collectively, are a contribution of our Company to sustainable development.





**REPSOL**