

# Ethics and conduct code for suppliers







## Introduction

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Repsol Suppliers (*Supplier*<sup>1</sup>), despite being independent organisations, play an important role within Repsol's entire value chain. Therefore, Repsol (*Company*<sup>2</sup>) promotes, fosters and expects its suppliers to adopt guidelines consisted with the Company's **Ethics and conduct code** (code 00-00022NO), available at [www.repsol.com](http://www.repsol.com).

The "Ethics and Conduct Code for Suppliers" (*Code*) is aimed at mutual benefit and sets out the minimum requirements to which the Company expects its Suppliers to act.

Repsol believes that this code sets out behaviours that can reasonably be expected of responsible companies. Repsol expects senior leaders among our Suppliers to lead by example and support a corporate culture that promotes these values and evaluates performance against them.

1 The term "Supplier" is used in this document to refer to suppliers, contractors, sub-suppliers and subcontractors, and other third party entities that provide goods and services to Repsol or who act on Repsol's behalf. Therefore, the obligations assumed by the supplier are required to its employees, sub-suppliers and subcontractors.

2 The term "Company" is used in this document to refer to companies belonging to Repsol Group, being operated by Repsol Group, or acting on Repsol's behalf.

# Guidelines for conduct of Repsol suppliers

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## 1. Current legislation

Suppliers must comply with applicable legislation, not only in the jurisdictions in which a Supplier operates, but also includes extraterritorial laws with which Repsol must comply. Suppliers must avoid any conduct that may cause adverse consequences to the environment or the Company and/or harm the reputation of Repsol, its subsidiary or investee companies.

## 2. Human Rights

Suppliers must respect internationally recognized human rights, those included, but not limited to:

- The *International Bill of Human Rights*<sup>3</sup>.
- The principles concerning fundamental rights in the eight International Labour Organization (ILO) Core Conventions<sup>4</sup> as set out in the *Declaration on Fundamental Principles and Rights at Work*.

The Supplier's responsibility to respect human rights requires them to prevent their activities from causing or contributing to causing infractions on human rights of people influenced by their activity, to address its consequences when they occur and to try to prevent or mitigate infractions on human rights directly related to their operations, products or services provided by their own suppliers.

The supplier's responsibility to ensure respect for human rights includes, but is not limited to:

- Maintaining with its employees labour practices consistent with the above international regulations.
- Not using forced labour.

<sup>3</sup> The International Bill of Human Rights is the Universal Declaration of Human Rights [1948] together with its implementing instruments: the International Covenant on Civil and Political Rights [1976] and the International Covenant on Economic, Social and Cultural Rights [1976].

<sup>4</sup> The eight Fundamental Conventions of the ILO include: Convention on freedom of association and the right to form unions [1948], Convention on freedom of association and collective bargaining [1949], Convention on forced labour [1930], Convention on the elimination of forced labour [1957], Convention on the minimum working age [1973], Convention on the worst forms of child labour [1999], Convention on equal pay [1951], Convention on discrimination [1958].



- Not using child labour.
- Facilitating the freedom of association and collective bargaining of employees.
- Treating all employees with dignity and respect, refraining from any offensive conduct or that entails any kind of discrimination on the grounds of race, ethnic, religion, political affiliation, trade union status, nationality, language, gender, marital status, social condition, age, disability, sexual orientation or any other protected ground as established by local law.
- Ensuring that working conditions and environment (including: fair and competitive salaries, working hours, balance between professional and personal life, protecting maternity, confidentiality of employee records, promoting a harassment-free workplace and a safe working environment free from alcohol and drugs, etc.) are consistent with internationally applicable labour regulations, and promote and maintain a high level of the physical, mental and social well-being of their employees, subsuppliers and subcontractors.
- Respecting the rights, cultural diversity and customs of local communities and indigenous peoples that may be influenced by their activities.
- Recognizing and respecting the human rights of persons belonging to groups or populations which may be more vulnerable, everywhere we operate<sup>5</sup>.

When a Supplier is required to address conflicting demands, it must seek alternatives that ensure respect for internationally recognized human rights.

<sup>5</sup> Individuals and groups that may be directly and differentially or disproportionately affected by the activity because of their disadvantaged or vulnerable status, including: indigenous people; national, ethnic, linguistic, or religious minorities; children, elderly, disabled persons; and refugees, displaced people and migrant workers as well as their families.

### 3. Ethical behaviour, measures against bribery, corruption and conflict of interest

Suppliers must maintain at all times ethical behaviour that allows them to establish legitimate and productive relationship with their suppliers and companies with which they have a contractual relationship. They must act with honesty and integrity in dealings with all persons inside and outside their company, including public officials from different administrations, customers, suppliers and members of the community in any country where they operate.

Repsol does not tolerate any form of bribery, corruption and money laundering from criminal or illegal activities and requires that all Suppliers comply with this obligation in all areas where they operate, including those where such payments are not prohibited by the applicable legislation.

The Supplier must perform due diligence that establishes mechanisms to combat any kind of corruption, extortion, price fixing and / or anti-competitive behaviour, embezzlement, falsification, bribery, money laundering, illegal financing of terrorism, illegal funding of political parties, influence peddling, etc., and to avoid dealings with sanctioned countries and individuals. This entails, but is not limited to:

- Not making, offering, or accepting, directly or indirectly, any payment in cash, in kind or any other benefit to any natural or legal person at the service of any authority or entity, whether public or private, political party, its representative or candidate to a public post, in order to illegally obtain or maintain business or other advantages.
- Not making, offering, or accepting, directly or indirectly, any payment in cash, in kind or any other benefit to any natural or legal person such that they abuse their influence, real or apparent, to obtain or maintain business or other advantages from any authority or entity, whether public or private.







- Not making, offering, or accepting, directly or indirectly, any payment in cash or in kind or any other benefit to any natural or legal person when they have knowledge or reasonable suspicion that all or part of the money or payment in kind will be offered or delivered, directly or indirectly, to any authority or entity, whether public or private, political party, its representative or candidate to a public post, for any of the purposes mentioned in the above two paragraphs.
- Not making, offering, or accepting payments, in the form of small payments to a low-level government official that are intended to encourage the official to perform his responsibilities, for example, to gain access to government services, obtain ordinary licenses or business permits, process government papers, provide police protection, or load and/or unload goods.
- Specifically, the Supplier will not make, offer or accept, due to their contract with Repsol, any payment in cash, kind or any other benefit from/to any natural or legal person in order to obtain or maintain any business or advantage for themselves or for a third party, which may lead to a conflict between the interests of the Supplier or third party and those of Repsol.
- Not making, offering, or accepting cash payments which appear to be unusual considering the nature of the transaction, payments made by bearer cheques and payments made in currencies other than those specified in the contract or agreement, order or in the invoice.
- Avoid payments made to or by third persons not mentioned in the contract, order or respective agreement, extraordinary payments not provided for in the agreements or contracts and payments expedited by use of emergency procedures.

- Not making payments or debits in an account which is not the usual account for transactions with a certain person or entity, or when the destination of the transferred funds is not known, or payments to entities where due to their legal system, is not possible to identify their stakeholders or end beneficiaries.
- Not making payments to persons or entities resident in tax havens, or to bank accounts open at bank branches located in tax havens.

In case that the Supplier carries out its activity in Spain, it must also establish control mechanisms to monitor and ensure that neither its employees nor persons under their authority commit any crime imputable to the legal person.

Repsol expects that our Suppliers and their respective employees will not be engaged into outside activities, including business interests or other contracts or employment that might interfere with or be perceived to interfere with the Suppliers' contractual obligations to Repsol.



#### 4. Safety and Environment

Suppliers must perform their activities in order to minimize negative environmental impacts according to the applicable legislation in the host country and Repsol corporate regulations, and reaching a high level of safety in its facilities, products and services, with particular attention to protecting employees, contractors, customers and the local environment. Particularly, when these are carried out at Repsol facilities, the Supplier shall understand and enforce among its employees and subcontractors, all Company Health, Safety and Environment norms applicable to them. Should any conflict between Repsol corporate regulations and host country legislation exist, compliance with the most restrictive will take precedence, if permitted by the host country legislation. If operational results and safety ever come into conflict, we require Suppliers to choose safety over operational results.

## 5. Confidentiality and Intellectual Property

The Supplier must respect the principles of confidentiality and intellectual property of the information they have access to as a result of their relationship with Repsol and comply with the framework regulation of protection, classification and management of Repsol's information.

Suppliers must not give the impression that they are speaking on behalf of Repsol, nor make reference to Repsol when promotional marketing or advertising, without first obtaining written permission from Repsol.



## Responsibility of Suppliers

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The Repsol Suppliers undertake to:

- Know and respect this Code as well as applicable internal standards, policies and procedures of Repsol. In the event of conflict between legislation and Repsol internal regulation, the more stringent requirement, if allowable by law, should be adopted.
- Participate in compliance verification activities of this code and/or audits that may be established or required by Repsol.
- Implement the corrective actions, if necessary, resulting from any verification activity carried out by Repsol in the organization.
- Notify Repsol of any information considered relevant regarding the requirements set forth in this Code, which could directly or indirectly affect Repsol legally, economically or reputationally.



# Violations or non-compliance of this code

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Violations by the Supplier of the content of this code may have consequences to their contractual relationship with Repsol. Ignorance of the law, or pressure or demands due to business conditions, will not be admitted as justification or reason for non-compliance.

Others involved in the wrongdoing may also be subject to discipline. This includes those who fail to use reasonable care to detect a violation, persons who refuse to divulge information which may be material to an investigation, as well as supervisors who approve, condone, “look the other way,” or attempt to retaliate.

According to the severity of the violation, these consequences can range from a simple warning to disqualification as a Repsol Group supplier; without prejudice to other applicable legal or administrative actions.

Violations of this Code are analyzed on a case-by-case basis and will be penalized in accordance with all applicable internal procedures, agreements and legal requirements.

Repsol provides its Suppliers with a channel through which they can report, without fear of retaliation, events that may be considered infringements or violations of this code, or of the **Ethics and conduct code (code 00-00022NO)**.

The Repsol Ethics and Compliance Channel is a confidential way to get answers to your questions and to raise concerns. It is administrated by an independent company and it is available 24 hours a day, 7 days a week by phone or online at [www.ethicscompliancechannel.repsol.com](http://www.ethicscompliancechannel.repsol.com).

Additionally, in case the supplier carries out its activity in Spain, it must communicate, through the mentioned channel, any suspicion of possible crime attributable to the legal person by Repsol Group employees or persons under its authority.





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