



OVERVIEW

2018

SUSTAINABILITY PLAN

Repsol Sinopec Brasil



2018 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:

10 Actions / 90% Fulfillment

	Ethics and transparency	1 ACTION
	People	2 ACTIONS
	Safe operation	2 ACTIONS
	Environment	3 ACTIONS
	Climate change	1 ACTION
	Innovation and technology	1 ACTION

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

At Repsol, we contribute to sustainable development...

People - communities

The itinerant project for socioeconomic development of the fishing communities Plataforma Educativa has completed its 10th cycle in 2018 providing free activities concerning the fisheries, environmental education, health and safety.

The project has visited 26 cities in the states of Espírito Santo, Rio de Janeiro and São Paulo, benefiting more than 21,000 people who have fishing as their main means of subsistence.

Carried out in partnership with the Costa Brasil Institute and the Institute of Oceanography of the University of São Paulo (IOUSP), the Project has also the support of the Brazilian Navy and Local Governments



Orlandina Alves, fisher and merchant.



Coral Sol. Photo: Léo Francini.

Environment – natural resources

Scientific studies prove that, due to its rapid growth, diversified reproduction mechanisms and the absence of local predators, the Sun Coral is causing many damages to the native ecosystem where it acts as an exotic species, being considered one of the main invaders of the Atlantic Ocean, mainly in Brazil.

Developed in association with Bio Bureau and SENAI de Biossintéticos, and also with the support of Repsol Sinopec, the research for the containment of the Sun Coral has been presented in 2018 at the United Nations convention for biodiversity in Egypt - COP 14. It is expected that the completed genome of the species will be built to identify susceptibilities to develop more effective technologies for preventing and controlling those organisms.



PRESENTATION

2018 SUSTAINABILITY PLAN

Repsol Sinopec Brasil



CONTENTS

1 Our vision of sustainability and the preparation of this Plan_____6

2 2018 Sustainability Plan. Summary_____8

Sustainable Development Goals_____9

Ethics and transparency_____11

People_____13

Safe operation_____16

Environment_____19

Climate change_____23

Innovation and technology_____25

3 Process of updating the Plan_____27

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.

© REPSOL, SA 2018: All rights reserved. This document is the exclusive property of REPSOL, S.A. and their total or partial reproduction is allowed only for non-commercial distribution

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 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

1 Our vision of sustainability

Brazil Bussines Unit



Repsol Sinopec Brasil (RSB) is part of the Repsol Group, an energy company that is present throughout the entire oil and gas value chain in more than 50 countries. In Brazil, Repsol Sinopec is an oil and gas company with non-operated **upstream offshore** operations (all hydrocarbon exploration, development, and production operations that take place at a distance of approximately 120 miles from the shore) in the Espírito Santo, Campos, and Santos basins. The company's assets portfolio includes three producing fields: Albacora Leste (Petrobras 90% and RSB 10%), Sapinhoá (Petrobras 45%, Shell 30%, and RSB 25%), and Lapa (Total 35%, Petrobras 10%, Shell 30%, and RSB 25%), in addition to several high-potential exploratory blocks.



FPSO Cidade de São Paulo. Photo: Agência Petrobras

2018 Sustainability Plan Repsol Sinopec Brasil

/ 10

Actions



Ethics and transparency

1 ACTION



People

2 ACTIONS



Safe operation

2 ACTIONS



Environment

3 ACTIONS



Climate change

1 ACTION



Innovation and technology

1 ACTION

This plan responds to the **expectations identified by the Company's stakeholders**, among which we can highlight the following:

- Behave in an ethical and transparent manner
- Use water responsibly
- Conserve natural heritage and biodiversity in the area surrounding our operations
- Identify opportunities to minimize the effects of climate change
- Guarantee the development of local communities
- Drive the development of new technologies

50% of the actions included in this plan are linked to the variable remuneration system applied to Repsol's employees, which constitutes the Company's unequivocal commitment to the effective maximization of its contribution to sustainable development

2018 Sustainability Plan

Sustainable Development Goals



The **actions** that make up this **Plan** help support the United Nations' **2030 Agenda** by addressing the following Sustainable Development Goals (SDG):



No Poverty. The Business Unit of Brazil works to contribute with the development of socially vulnerable groups to have the opportunity to access economic resources (target 4).



Quality Education. The contribution to this goal focuses on increasing young people's skills to facilitate their access to employment (target 4).



Gender Equality. This Plan promotes equal opportunities for women (target 5).



Clean Water and Sanitation. This plan includes initiatives to improve the quality of water (target 3) and the efficient and sustainable management of water resources in our operations (target 4).



Decent Work and Economic Growth. This plan includes initiatives aimed at guaranteeing decent working conditions for everyone (target 5) and respecting labor rights, promoting a safe working environment (target 8).



Industry, Innovation and Infrastructure. This plan includes initiatives which contribute to this goal by enhancing scientific research and upgrading technological capabilities (target 5).



Responsible Consumption and Production. The contribution to this goal is carried out through initiatives to achieve the sustainable management and efficient use of natural resources (target 2), and initiatives to reduce waste generation (targets 4 and 5).



Climate action. This plan includes measures for fighting climate change (target 2).



Life below water. This plan includes specific actions to prevent and reduce marine pollution (target 1), avoid adverse impacts on marine and coastal ecosystems (target 2) and facilitate access to fishermen (target 9).



Peace, Justice and Strong Institutions. This plan commits to actions that are related to promoting ethics, responsibility, and transparency (target 5).



Partnerships for the goals. The Colombia Business Unit contributes to this goal with actions based on the formation of partnerships in the public-private sphere (target 17).

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

Encourage ethics and transparency in the workplace.

DESCRIPTION

We will provide spaces for discussions on Ethics and Compliance, Human Rights and Diversity, and we will circulate information on Brazilian regulatory frameworks and those of Repsol to prevent corruption and discrimination in the workplace, mobilizing our collaborators to act ethically.

INDICATOR

Give a total of four conferences on the subject of Ethics, Human Rights, and Diversity.

Achieve 50% participation in each event.

Obtain an evaluation from 20% from participating employees.

WHAT HAVE WE ACHIEVED?



We have created the "Talks about Ethics" forum program to meet experts and debate on ethics-related matters that our society and work environment are facing. "Women and Diversity at the Workplace" with Adriana Carvalho of UN Women; "The Culture of Harassment" with psychoanalyst Maria Homem; "Ethics and Corruption in Organizations" with Professor Cid Alledi. Attendance on average of 80 people for each session (55%).

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

Take measures to improve the organizational climate.

DESCRIPTION

We will update the current Action Plan to improve the organizational climate, bearing in mind the results of the new climate survey.

INDICATOR

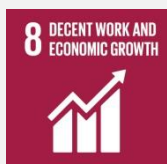
Complete 80% of the new measures included in the current Plan.

WHAT HAVE WE ACHIEVED?



We have evaluated the climate survey conducted in 2017 and selected the ten most critical questions to address in the new Action Plan involving employees. We have carried out a workshop in the internal RISE program (Resilience, Innovation, Sustainability, Engagement) with eight actions already implemented.

CONTRIBUTION TO THE SDGs:



ACTION

Contribute to the local development of communities in the areas where we operate.

DESCRIPTION

We will continue making social investments as a way of contributing to the development of traditional communities through the Educational Platform project, as well as helping young people in vulnerable social situations through the Rocinha Orchestra, and young people with disabilities through the Paralympic Talent Detection project.

INDICATOR

Educational Platform: Run the 10th cycle of the project for the coastal communities of São Paulo in at least five cities.

Rocinha Orchestra: Renew sponsorship and contribute to the development of at least 150 young people.

Paralympic Talent Detection: Renew sponsorship with a view to developing at least four professional athletes.

WHAT HAVE WE ACHIEVED?



In the scope of the Educational Platform project, we have visited five cities in São Paulo State: Bertioga, Peruíbe, Iguape, Cananéia and São Vicente, thus affecting a total of 3,998 persons. We have renewed our sponsorship of the Orchestra de Câmara de Rocinha, where 150 students continue their musical studies, 23 at the university; and the project for scouting for the Paralympics Games, with 12 professional athletes in development.

CONTRIBUTION TO THE SDGs:



At Repsol, we contribute to sustainable development...

In pursuit of our goal of **Zero Accidents**, we demand a high level of safety in our processes and facilities, paying special attention to the protection of the people and the environment around us. We apply stringent measures during the design and maintenance of our facilities. We carry out risk analyses following best practices at the international level, manage our response to emergencies efficiently, and provide appropriate training to our employees. In addition, we consider anticipative safety measures key to preventing major industrial accidents.

When we speak about safety, we do not limit ourselves to our facilities, but also refer to raising awareness among **our suppliers and contractors**.

Our commitment in this area is evidenced by the fact that safety objectives determine our **employee's performance-based compensation** by anywhere from 10% to 20%.

Below, we list the actions that show our commitment to safety and our goal of Zero Accidents.



Prevention of personal, process,
and transportation accidents

Incident Management

Emergency management

Safety in product use



ACTION

Strengthen our safety culture.

DESCRIPTION

We will work with employees to find out the level of perception of a safety culture and will manage the main occupational safety risks. We will provide a document of lessons learned from incidents using our partners' experiences

INDICATOR

Achieve 50% employee participation in the survey.

Develop a mitigation plan by June.

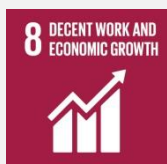
Create an incident report by December.

WHAT HAVE WE ACHIEVED?



To develop a mitigation plan for the security questions raised by employees at the office, we have assessed 2,047 Preventive Safety Observations (PSO) between 2016 and 2018. The identified risks have been mitigated within the very same preventive observation process and there has been no need for a specific mitigation plan. Incidents have been reported in the Synergy control tool and there has been no relevant incidents.

CONTRIBUTION TO THE SDGs:



ACTION

Provide support during the processes to adapt the P-50 offshore platform for remote operation.

DESCRIPTION

We will be present during the process to give an insight into the scope of the project, the aim of which is to reduce operational risks for workers and the costs incurred by staff living on the P-50 platform in the Albacora Leste field.

INDICATOR

Report the conclusions of the project to transfer the control room from Rio de Janeiro (RJ) to Vitoria (ES) by December.

Visit the P-50 control panel (UO - Rio).

Carry out a technical exchange between the Repsol team (Regional ED TD) and the operator team.

WHAT HAVE WE ACHIEVED?



We have finished transferring the control room for P-50 platform remote operation in August and we have visited the control panel (UO-Vitória) in March and August. We have joined operator Petrobras in the May and October Technical Committee Meetings (TCM) to address technical aspects and the remote control room change update. We have also suggested a collaboration in the Digital Twin Project developed by our R&D area for P-50.

CONTRIBUTION TO THE SDGs:



At Repsol, we contribute to sustainable development...

At Repsol, we share society's concern regarding the need to care for the environment in which we live. We seek to **minimize the impact of our operations** by adopting a low-emissions strategy, optimizing water management, reducing the contaminant load of spills, managing waste appropriately, improving prevention and response systems during spills, and considering biodiversity to be a key component.

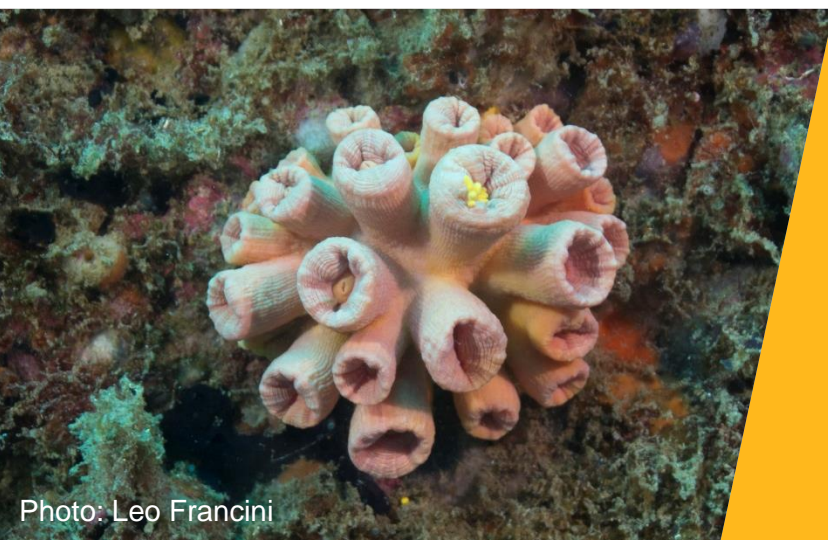
We've taken on the commitment to use the resources involved in our operations efficiently and in a more circular fashion. In 2016, Repsol set a new challenge: to seek Circular Economy opportunities that promote the sharing economy and represent an alternative to the linear economy of extracting, using, and throwing away.

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



Efficient management of natural
resources

Environmental impact
minimization



ACTION

Improve waste management in offices.

DESCRIPTION

We will properly dispose of organic waste and recyclables from office workstations and we will optimize the time spent collecting them, as well as cutting down on paper waste.

INDICATOR

Remove 100% of organic waste from work stations.

Cut the time spent collecting waste from garbage cans at workstations by 30%.

Cut paper consumption during the printing process by 30%.

WHAT HAVE WE ACHIEVED?



We have reduced the amount of garbage cans at workstations and informed employees about the right way to dispose of waste in each waste container type. We have reduced garbage cans by 34%, eliminating organic waste by 100% at workstations, and adapted them to receive recyclable waste, thus saving 61.5% in collection time. Since we implemented the secure printing system, we have cut printing by 33,892 and paper use by 13%.

CONTRIBUTION TO THE SDGs:



ACTION

Support actions to protect and conserve marine and coastal environments.

DESCRIPTION

We will support actions and alliances to protect and conserve marine and coastal environments as well as marine biodiversity by sponsoring AquaRio (Rio de Janeiro Marine Aquarium) and competitions in support of conservation units, in association with Fundação SOS Mata Atlântica. We will also support scientific research into orange cup coral species with Brazilian universities and companies.

INDICATOR

Fundação SOS Mata Atlântica: Launch a new competition by February, develop a communication plan and monitor both.

AquaRio: Get the initial findings of the 15 scientific investigations started in 2017, involving our R&D team.

Orange cup coral species: Put together a new system for cutting coral and carry out the first cutting and containment test on the sun coral colony.

WHAT HAVE WE ACHIEVED?



We have launched a new Atlantic Coast public announcement that will benefit 10 conservation unit protection and development projects along the coast. With our aid, AquaRio has developed 18 scientific research projects in association with Brazilian universities, including the prominent probiotic against coral bleaching. We have adapted the Coral Sol project in association with SENAI (Serviço Nacional de Aprendizagem Industrial) and BioBureau for "Genomes as biotechnological tools".

CONTRIBUTION TO THE SDGs:



ACTION

Promote sustainable water management in the Albacora Leste field.

DESCRIPTION

We will promote sustainable water management by exchanging experiences on the treatment of process water in the Albacora Leste field.

INDICATOR

Obtain the data from 2017 and define the modifications to be made to the treatment plant based on the new methodology for measuring oil and grease in wastewater (TOG - Total Oil and Grease).

WHAT HAVE WE ACHIEVED?



In May, we have participated in a seminar with the operator Petrobras regarding possible solutions for reducing TOG (Total Oil and Grease) in the water. The solution of fully re-injecting discharge water into the reservoir has been noted and approved. This solution is scheduled to begin by February 2020. We are actively participating in engineering and security activities for the conceptual and basic project, seeking possibilities for reducing the risk of delays.

CONTRIBUTION TO THE SDGs:



At Repsol, we contribute to sustainable development...

Repsol actively shares society's concern for the **effect that human activity is having on the climate**. Our challenge is to supply energy in a safe, efficient, and accessible manner, reducing greenhouse gas (GHG) emissions.

To do so, we have made a commitment to **use energy efficiently** at our facilities and in our operations. We have implemented energy management systems that comply with the ISO-50001 standard at our facilities, along with plans to reduce GHG emissions, and our aim is to reduce CO₂e emissions by 5 million metric tons every year from 2005 to 2020.

We encourage the use of **natural gas** to impel an orderly transition to a low-emission future, as well as the **capture, use, and storage of carbon** as a means of mitigating climate change. Repsol is part of the Oil and Gas Climate Initiative (OGCI), which aims to share the best practices and technological solutions, and the OGCI Climate Investment fund, which will invest \$1 billion over the next 10 years to finance the development of GHG emission-reducing technologies.

Below, we list the actions in the Sustainability Plan related to this axis.



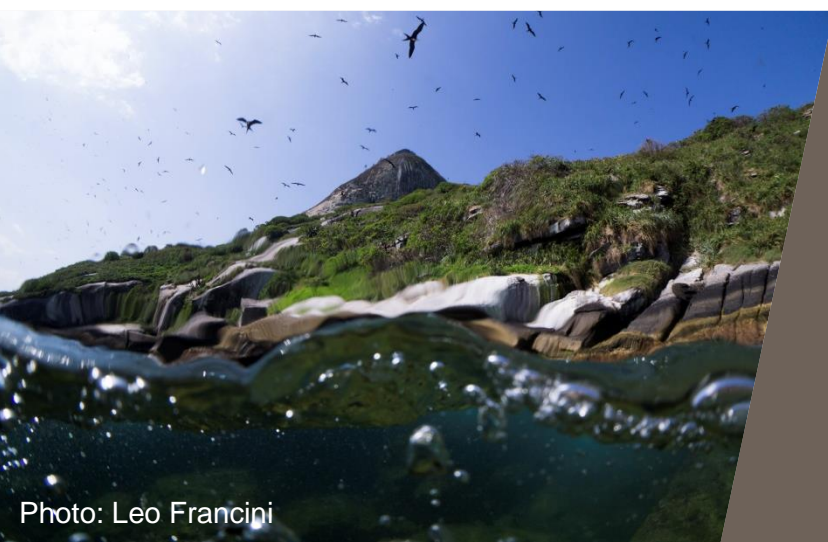
Efficient energy management

Drive the reduction of GHG emissions

Encourage the use of natural gas in electricity generation

Sustainable mobility

Low-emissions economy model



ACTION

Promote ways of managing and reducing the carbon emissions from our activities.

DESCRIPTION

We will promote carbon management initiatives alongside the operators of the BMC 33, BMS 9, and Albacora Leste assets.

INDICATOR

Albacora Leste (P-50): Meet the performance indicators approved by the Brazilian National Agency of Petroleum (ANP) for gas burning (PAT/PAP).

BMC 33: Gather information on the level of CO₂ emissions that are being considered for the development actions.

BMS9 (FPSO Cidade de São Paulo/ FPSO Cidade de Ilhabela/ FPSO Cidade de Caraguatatuba): Meet the performance indicators approved by the ANP for gas burning (PAT/PAP).

WHAT HAVE WE ACHIEVED?



We have conducted joint tracking with partners of compliance with performance indicators for gas burning, with the following results: Albacora Leste 9.73%, (limit 13.10%); BM-S-9 /Sapinhoá 1.6% (FPSO São Paulo City: 1.3% FPSO Ilha Bela City: 1.9%), (limit 6%); BM-S-9/ Lapa 2.5% (limit 3%). Considering the current reference case for BMC-33 development, the estimated carbon emissions rate is 8 kg CO₂/BOE.

CONTRIBUTION TO THE SDGs:



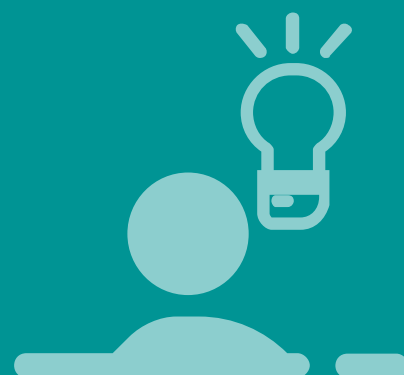
At Repsol, we contribute to sustainable development...

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.

Similarly, we forge alliances and contribute to the growth of companies in emerging areas related to bioenergy, sustainable mobility, energy storage, energy efficiency, and renewable sources of energy.

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

Review the portfolio of research projects focusing on digitalization.

DESCRIPTION

We will promote technological innovation in projects that offer safer operating conditions for people and the environment, continuing on with the TAILS project that includes the following projects: TAILS.HEADS: advanced technology for detecting surface spills; TAILS.DORIS, an autonomous robot for monitoring the integrity of offshore installations; TAILS.SID, a system for subsea detection; and TANK INSPECTION: for automating inspections and reducing human risks in the operation.

INDICATOR

TAILS.HEADS: Complete the project, carrying out the proof of concept and field test (for example, FPSO).

TAILS.DORIS: Get the robotic concept approved by partners and implement the project by December.

TAILS.SID: Approve proof of concept and have the project under way by December.

TANK INSPECTION: Start navigation tests in a water environment by December.

WHAT HAVE WE ACHIEVED?



TAILS HEADS: The project we have launched in June 2016 has now reached the final six months. In the first half of 2019, we will run the test with fish in the sea. DORIS: Petrobras and Equinor have executed the first stage of the project. The entry of new associated companies for continuing the project is in the negotiations phase; TAIL.SID: Replaced by other, more feasible projects; TANK INSPECTION: Contract signed and project commenced. SIMEX (executing contractor) has delivered the first prototype

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.



FPSO Cidade de Caraguatatuba. Photo: Steferson Faria - Agência Petrobras



Photo: Leo Francini

