

# Closing 2018 Sustainability Plan



# 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*

The **Sustainability Model\*** is structured around six pillars that correspond to the material aspects of Sustainability, in line with the type of company we are, the expectations of stakeholders and the main international standards.



## 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*

The **Global Sustainability Plan** establishes 18 objectives to 2020, articulated around our axes of the **Sustainability Model**.  
Each axis contains the following information:

### **Our ambition:**

We define what is the vision for each of the issues that Repsol considers relevant in .

### **Objectives 2020:**

We set objectives and indicate the degree of progress to date (12/31/2018)

### **Monitoring of 2018 lines of action:**

We show the status of the actions at the end of the year.



**Fulfilled**



**Ongoing** (Started but not fulfilled)



**Not fulfilled**

# Progress on 2018 Global Sustainability Plan – 2020 Objectives

## Ethics and Transparency



### 2020 OBJECTIVE

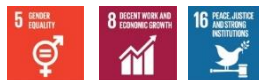
### PROGRESS

Provide all employees with information on preventing and fighting corruption.	85%
Develop and implement a global management model to prevent and detect possible cases of corruption.	90%

Try to ensure 30% of women on the Board of Directors.	66%
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Eliminate tax havens and simplify the corporate structure.	100%
Be rated as a “transparent” or “responsible” company as regards our tax policies and practices.	100%
Promote cooperative relationships and seek amicable solutions with tax authorities.	66%

## People



### 2020 OBJECTIVE

### PROGRESS

Ensure that all assets with the highest human rights risk plan how to manage risks and social impacts.	75%
Ensure that all assets with the highest human rights risk have implemented effective operational-level grievance mechanisms.	60%

Achieve best-practices level in the sector regarding the Voluntary Principles on Security and Human Rights initiative (VPSHR).	75%
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Increase to 30% the proportion of women in leadership positions.	97%
Exceed legal obligations in relation to the direct integration of people with disabilities into our workforce in the countries where this applies.	86%
Improve the rate of employee satisfaction in the workplace climate survey to 70%.	95%

## Safe Operations



### 2020 OBJECTIVE

### PROGRESS

Improve personal accident rates in line with the road map defined in 2013 based on the best-performing companies in the sector.	76%
Improve the accident rates for processes in line with road map defined in 2015 based on the best-performing companies in the sector.	100%

# Progress on 2018 Global Sustainability Plan – 2020 Objectives






## Environment



### 2020 OBJECTIVE

### PROGRESS

Implement circular economy projects in all business units aimed at creating a positive impact on society and on the company. 	72%
Minimize waste generation and improve its management. 	70%
Develop initiatives to optimize the use of fresh water and reduce the impact of the effluent. 	85%




## Climate Change



### 2020 OBJECTIVE

### PROGRESS

Reduce CO2 equivalent by 2.1 <sup>(1)</sup> million metric tons (period 2014-2020). Includes the methane emissions mitigation plan of the Climate Clean Air Coalition (CCAC) initiative. 	85%
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## Innovation and Technology



Objectives for 2022 defined in the 2019 Global Sustainability Plan <sup>(2)</sup>

### 2019 LINES OF ACTION

### STATUS

Monitor the baseline of investments in the technological developments and startups that form part of the sustainability model pillars. 	
Ensure compliance with the milestones of the projects aligned with the sustainability pillars. 	
Promote our open innovation and technological development model in the environments in which we operate. 	

(1) Updated in June 2018 in line with the 2018-2020 Strategic Plan.

(2) No 2020 objectives were established in 2018 for the innovation and technology axis.

# Global Sustainability Plan

## Our ambition

| No cases of corruption in the activities carried out by the Repsol Group.

## 2020 Objectives

- 1 | Inform all Repsol employees of what is expected of them in terms of prevention and the fight against corruption, as well as the mechanisms the Company places at everyone's disposal to make queries or report possible breaches of the Code of Ethics and Business Conduct and the Crime Prevention Model.
- 2 | Develop and implement a global management model that will guarantee possible cases of corruption are prevented (as far as possible) and detected early.

## Monitoring of 2018 lines action

- 1 | Implement a formal due diligence process for third parties in terms of Ethics and Business Conduct
- 2 | Continue expanding the Compliance function to other countries, implementing compliance models adapted to local regulations in priority locations.
- 3 | Approve and disseminate anti-corruption action guidelines.

## Progress



## Status



\* Ongoing (started but not fulfilled)



**Ethics and  
transparency**

**Anti-corruption**

# Global Sustainability Plan

## Our ambition

| Achieve maximum national and international standards in terms of Good Governance.

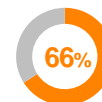
## 2020 Objectives

- 1 | Try to ensure that women represent 30% of the seats on the Board of Directors.

## Monitoring lines of action 2018

- 1 | Adapt the operation of the Audit and Control Committee to the action guidelines established in the CNMV Technical Guide 3/2017 on Audit Committees published on June 27th, 2017, with a special focus on the diversity criteria included therein.
- 2 | Search for and include women among the potential candidates to fill vacancies for Independent Directors on the Board of Directors.

## Progress



## Status



**Ethics and  
transparency**

**Good governance  
practices**



# Global Sustainability Plan

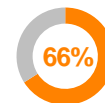
## Our ambition

| Be publicly recognized as an honest and transparent company in tax-related matters.

## 2020 Objectives

- 1 | Ensure our Company does not operate in tax havens (except in unavoidable and legitimate business-related circumstances) and simplify the corporate structure.
- 2 | Be rated as a "transparent" and "responsible" company by the organizations that carry out assessments, thanks to the publication of information that facilitates understanding of our tax policies and practices along with our tax contribution in the countries where we operate.
- 3 | Promote cooperative relationships with tax authorities and search for amicable solutions in financial disputes.

## Progress



**Ethics and  
transparency**

**Responsible tax  
policy**



## Monitoring lines of action 2018

- 1 | Analyze our corporate structure taking into account the new of tax haven lists published by the OECD and EU in 2017 and suggest how it can be adapted accordingly
- 2 | Actively participate in work groups to define good tax governance principles and commitments and ensure the Repsol Group adheres to them, when appropriate.
- 3 | Present information to the AEAT from the 2017 voluntary transparency report. Set up co-operative compliance programs with tax agencies relevant to the Group (e.g Canada)

Status



**Ethics and  
transparency**

**Responsible tax  
policy**



# Global Sustainability Plan



## Our ambition

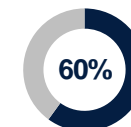
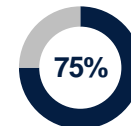
To achieve and maintain strong relationships with communities where the company has presence, based on recognition, trust, mutual respect and shared-value, through proactive engagement and responsible and transparent management of social impacts and opportunities.

## 2020 Objectives

Make progress in terms of applying the United Nations Guiding Principles on Business and Human Rights in the Company:

- 1 | Ensure that all assets with the highest human rights criticality plan social risk and impact management, as well as their contribution to local socioeconomic development.
- 2 | Ensure that all assets with the highest human rights criticality have implemented effective grievance mechanisms.

## Progress



**People**

**Human Rights and  
communities**



## Monitoring lines of action 2018

- 1** | Review the utility of the grievance mechanisms of Repsol operated assets with the highest levels of social criticality, in accordance with the United Nations Guiding Principles on Business and Human Rights.
- 2** | Establish action plans in accordance with the social risk baseline in those Company assets with the highest levels of social criticality.
- 3** | Consolidate the network of professionals responsible for community relations in the different countries and centers, developing their skills and facilitating communication and the transfer of knowledge and experience.

### Status



## People

## Human Rights and communities



# Global Sustainability Plan

## Our ambition

| Guarantee people's security with full respect for human rights.

## 2020 Objectives

1

Reach the highest level of best practice according to the Voluntary Principles on Security and Human Rights (VPSHR)\*, by carrying out all the actions defined in the VPSHR Implementation Plan in countries identified as priority.

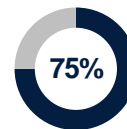
(\*) VPSHR: Multi-actor initiative involving governments, companies, and NGOs that promotes the implementation of a series of guiding principles for hydrocarbon and mining companies to provide security in their operations in a way that is respectful of human rights.

## Monitoring lines of action 2018

1

Consolidate and expand the best practices identified in the countries where we operate

## Progress



## Status



People

Security and  
Human Rights

\* Ongoing (started but not fulfilled)



# Global Sustainability Plan



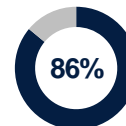
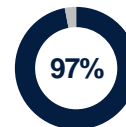
## Our ambition

- | Make a commitment to people and drive their development and that of their social context.
- | Guarantee equal opportunities as a distinctive element of an integrated, diverse and inclusive company.

## 2020 Objectives

- 1 | Increase the proportion of women in leadership positions to 30%
- 2 | Exceed legal obligations in relation to the direct integration of people with disabilities into our workforce in countries where this applies.
- 3 | Improve employee satisfaction rate regarding access to flexibility and work-life balance programs in the climate survey to 70% positive responses.

## Progress



**People**

**Diversity, work-life  
balance, climate and  
talent retention**



## Monitoring lines of action 2018

- 1 | Diversity and Work-Life Balance Committee: Approve the strategic lines of action in each of the dimensions and identify which projects are to be developed.
- 2 | Gender and Equality: Raise awareness within the organization of the need to identify unconscious gender bias and use gender neutral language.
- 3 | Encourage the direct employment of people with disabilities. Maintain the quota of job posts reserved for people with disabilities in Spain (2% of the workforce must have a certified disability). Strengthen our position in Europe and Latin America by forming part of international networks.
- 4 | Promote tools that facilitate work-life balance. Disseminate the current minimum global work-life balance requirements, in accordance with the new reality of our Company.

### Status



## People

**Diversity, Work-Life  
Balance, Workplace  
Climate and Talent  
Retention**

# Global Sustainability Plan



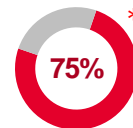
## Our ambition

| Zero accidents

## 2020 Objectives

- 1 | Personal accident rate: comply with the path defined in 2013 (calculated based on the rates of the best-performing companies in the sector) that sets an annual target value for the Total Injury Frequency Rate until 2020.
- 2 | Process accident rate: comply with the path defined in 2015 (calculated based on the rates of the best-performing companies in the sector), which sets an annual target value until 2020.

## Progress



**Safe  
operation**

\* Conditioned to annual revision

1 This parameter is monitored via TRIR: Total number of personal injuries (fatalities, lost-time injuries, medical treatment, and restricted work) accumulated in the period, for every 1,000,000 man hours

2 This parameter is monitored via PSIR: Number of accidents from Tier 1 and Tier 2 processes accumulated over the course of the year, for every 1,000,000 man hours..



## Monitoring lines of action 2018

- 1 | Comply with the Company's 2018 preemptive safety program, SMARt Keys, aimed at preventing major industrial incidents, which has three focal points: people, processes, and plants
- 2 | Improve the quality of our incident investigations by further professionalizing the role of investigator with differentiated training.
- 3 | Make headway with the implementation of the Company's Crisis Plan by carrying out a crisis management drill exercise in the Downstream area.
- 4 | Publish the White Paper on Safety Culture.

### Status



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\* Ongoing (started but not fulfilled)



**Safe  
operation**

# Global Sustainability Plan



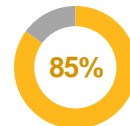
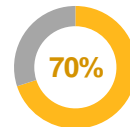
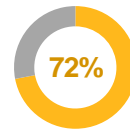
## Our ambition

| Neutral environmental impact of natural resource management.

## 2020 Objectives

- 1 | Implement Circular Economy projects that will have a positive impact on both society and the Company in all business units.
- 2 | Minimize the amount of waste produced and improve the management thereof.
- 3 | Develop initiatives that optimize the use of water and reduce the impact of effluent.

## Progress



## Environment



## Monitoring lines of action 2018

### Status

- 1 | Identify circular economy projects in the various business units.
- 2 | Prepare the White Paper on Water in Downstream operations with a view to improving water management at our facilities.
- 3 | Minimize the amount of waste sent to landfill in the Refining and Chemicals business units.
- 4 | Use life-cycle assessment and ecodesign processes in Company projects launched in Downstream.
- 5 | Develop a new digital tool for management, decision making, and environmental reporting in E&P.



## Environment

\* Ongoing (started but not fulfilled)



# Global Sustainability Plan

## Our ambition

| Position ourselves in a scenario compatible with the Paris Agreement (2°C scenario).

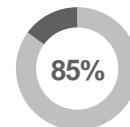
## 2020 Objectives

- 1 | Reduce CO<sub>2</sub> eq emissions by 2,1\* Million metric tons (2014-2020). This includes the Climate Clean Air Coalition (CCAC) methane emissions mitigation plan.

## Monitoring lines of action 2018

- 1 | Incorporate climate change into the Company's strategy and prepare the corresponding report, as well as report on the financial risks associated with climate change in accordance with the Task Force on Climate-related Financial Disclosures (TCFD).
- 2 | Implement the 2018 Carbon and Energy Plan: Reduce the Company's CO<sub>2</sub> emissions by 190.000 metric tons, verifiable under ISO 14064.

## Progress



## Status



Climate  
change



# Global Sustainability Plan

## Our ambition

Drive technological innovation as a lever of transformation towards more sustainable business models

## Monitoring lines of action 2018

- 1 | Monitor the baseline for investment in technological development and start-ups included in the sustainability axes.
- 2 | Reach the milestones of projects aligned with the sustainability axes.
- 3 | Promote our model for open innovation and technological development in our sector.

## Status



**Innovation  
and  
technology**





**How does our 2018 Plan contribute to the Sustainable Development Goals (SDG) ?**

# SDG linked to this Plan

SDG



## Ethics and transparency

- **No cases of corruption** in the activities carried out by the Repsol Group.
- Achieve **maximum national and international standards** in terms of **Good Governance**
- Be publicly recognized as an **honest and transparent company in tax-related matters**.



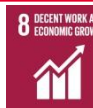
## People

- To achieve and maintain strong relationships with communities where the company has presence
- **Guarantee people's security with full respect for human rights.**
- **Make a commitment to people** and drive their development and that of their social context. Guarantee equal opportunities as an element that sets us apart as an integrated, diverse, and inclusive company.



## Safe operation

- **Zero accidents.**



## Environment

- **Neutral environmental impact of natural resource management.**



## Climate change

- Position ourselves in a scenario compatible with the **Paris Agreement** (2°C scenario)



## Innovation and technology

- Drive **technological innovation** as a lever of transformation towards more sustainable business models





***REPSOL***