



OVERVIEW

2018
SUSTAINABILITY
PLAN

Indonesia



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:

13 Actions / 100% Fulfillment



Ethics and transparency

2 ACTIONS



People

3 ACTIONS



Safe operation

3 ACTIONS



Environment

1 ACTION



Climate change

3 ACTIONS



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.

PRESENTATION

2018 SUSTAINABILITY PLAN Indonesia



CONTENTS

1 Our vision of sustainability and the preparation of this Plan_____ 5

2 2018 Sustainability Plan. Summary_____ 6

Sustainable Development Goals_____ 7

 **Ethics and transparency**_____ 9

 **People**_____ 12

 **Safe operation**_____ 16

 **Environment**_____ 20

 **Climate change**_____ 22

 **Innovation and technology**_____ 26

3 Process of updating the Plan_____ 28

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

2018 Sustainability Plan Indonesia / 13 Actions

 Ethics and transparency

2 ACTIONS

 People

3 ACTIONS

 Safe operation

3 ACTIONS

 Environment

1 ACTION

 Climate change

3 ACTIONS

 Innovation and technology

1 ACTION

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

- Ensuring that all our stakeholders can be confident that Repsol is ethical and transparent in all of its business dealings in Indonesia
- Making safety a key priority and ensuring all our employees understand its importance
- Work to reduce the impact of climate change within the context of our Indonesian operations
- Have our employees contribute to sustainable environmental improvements in Indonesia

100% 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):



Good Health and Well-Being. This plan contributes to the reduction of deaths and illnesses from non-communicable diseases (target 4) and from air contamination (target 9).



Quality Education. The contribution to this goal focuses on initiatives to increase the technical and professional skills for employment and decent jobs (target 4).



Affordable and Clean Energy. This plan includes actions to improve energy efficiency (target 3 and 10).



Decent Work and Economic Growth. This plan includes initiatives aimed at promoting a safe and secure working environment (target 8) and achieving full and productive employment and decent work (target 5).



Industry, Innovation and Infrastructure. This plan includes an initiative which focuses on supporting domestic technology development and innovation (target 13) and upgrading the 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 to ensure that people have the relevant information and awareness for sustainable development and lifestyles in harmony with nature (target 8).



Climate action. We contribute to this goal by integrating climate change measures into our strategies (target 2) and by improving education and awareness-raising capacity (target 3)



Life on land. This plan includes specific actions to ensure the conservation, restoration and sustainable use of terrestrial ecosystems and their services (target 1).



Peace, Justice and Strong Institutions. This plan commits actions to reducing corruption and bribery (target 5), developing transparent institutions (target 6), ensuring inclusive and participatory decision-making (target 7), and respect for fundamental freedoms (target 10).



Partnerships for the goals. This plan includes actions supported by the creation of partnerships in the public, public-private and civil society to attain the different goals (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

Disseminate the Repsol Group's new Code of Ethics and Business Conduct.

DESCRIPTION

We will develop a global ethics and business conduct training program that ensures people know of the criteria established in the Code of Ethics and Business Conduct and how to report any possible breaches.

INDICATOR

Perform at least one training for all the employees in Indonesia.

WHAT HAVE WE ACHIEVED?



We have disseminated the Code of Ethics and Conduct among our employees (required to complete the online training as well) and among our major vendors and vendors who have active contracts with operating entities within our Business Unit.

We have completed our Anti-Bribery and Corruption Risk Assessment in Southeast Asia and rolled the results. We have finalised and issued to the team temporary policies with respect to gifts and entertainment and sponsorship of Government travel and events.

CONTRIBUTION TO THE SDGs:



ACTION

Disseminate the Indonesia Sustainability Plan among our stakeholders.

DESCRIPTION

We will share the Repsol Sustainability Plan for Indonesia among our employees, contractors and partners through different initiatives.

INDICATOR

Carry out at least three communication initiatives among our stakeholders before the end of 2018.

WHAT HAVE WE ACHIEVED?



We have shared our Sustainability Plan through formal and informal forum discussion with stakeholders such as: Sinarmas Group (Plantation and Mining company), PT Putra Duta Indahwood (forestry license holder that overlay with Repsol operated block), Local District Head (Camat) and Local Forestry Head (KPH). The sharing included Repsol commitment to act with integrity and follow the law and regulation, consistent to transparency and accountability.

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

Apply the best international practices in the prevention and resolution of claims made by communities affected by our operations.

DESCRIPTION

We will update the claims management procedure available in Repsol Indonesia's operations, taking into account the recommendations of the guide developed by the global oil and gas industry association for environmental and social issues (IPIECA).

INDICATOR

Deliver the updated procedure before the end of 2018.

WHAT HAVE WE ACHIEVED?



The claims management procedure has been approved and implemented to response to claims from communities which might be affected by our operations. We have done intensive and massive community consultation prior to rumpon compensation process in Andaman III seismic acquisition since the very first stage of the project (articulation of Free Prior Informed Consent) to make sure fishing devices claims because of offshore seismic were executed in the most responsible possible process.

CONTRIBUTION TO THE SDGs:



ACTION

Promote international mobility among our employees.

DESCRIPTION

We will foster internal mobility as a tool for the development of our employees. We believe that working in other countries with different challenges, business conditions and cultures will be very beneficial for the professional growth of our employees.

INDICATOR

Propose at least one local candidate to participate in mobility programs such as Mobility Assignment or Swapping Program (Short or Long Term).

WHAT HAVE WE ACHIEVED?



We have participated in short term mobility programs and two local Indonesia employees have been sent to Madrid for 2 – 3 months. A local employee from the Commercial Department has joined a short term program at Madrid for three months, and a local employee from People and Organization has participated in Agile Project at Madrid.

CONTRIBUTION TO THE SDGs:



ACTION

Promote a work-life balance among our employees.

DESCRIPTION

We will propose mechanisms to develop, promote and facilitate the balance between personal and professional life. We will focus on the main challenge, the traffic congestion in Jakarta, that makes our employees to departure very early in the morning and stay until late at night to avoid as much as possible the peak hours.

INDICATOR

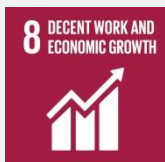
Define a Work-Life Balance Program and present it to the leadership team by the end of 2018 with the specific measures to be taken.

WHAT HAVE WE ACHIEVED?



Repsol has developed the work-life balance minimums worldwide and defined a flexibility map in the countries it operates to ensure employees can have personal life while pursuing a career. In Indonesia we have adjusted the working time during “Ramadhan”/Fasting month to give opportunities to those who want to break the fast at home. In 2018 we have communicated the program to the Senior Management Team and employees and we have implemented it.

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

Deliver training on firefighting and first aid to our employees.

DESCRIPTION

We will train all our employees in firefighting and first aid. We will make sure they know the basics on firefighting and prevention, including how to handle small fire at home, such as the use of fire blankets, extinguishers, theory of fire, types of fires, prevention, firefighting methods, and basic first aider technics and kits.

INDICATOR

Deliver trainings to at least 70% of the Jakarta employees and 100% of the Emergency Response Team and field employees.

Perform at least on fire emergency drill for Jakarta office employees.

WHAT HAVE WE ACHIEVED?



We have delivered Basic First Aid Training (four batches, almost 90% of attendance) and Basic Fire Fighting Training (four batches, successfully completed on 03 December 2018). We have conducted an office building fire drill evacuation for all tenants in ISEB Tower #1 and Tower #2 on 08 August 2018. All Repsol employees participated in the event and started to proceed to muster station by the alarm ringing.

CONTRIBUTION TO THE SDGs:



ACTION

Deliver Office and Home Safety Program to all employees.

DESCRIPTION

We will conduct regular health, safety and environment (HSE) awareness training on office and home safety aspects to improve the employees HSE culture. In 2018 the program will focus on ergonomics, pandemic and office air quality.

INDICATOR

Conduct HSE talks for the three topics quarterly to at least 80 % of the Jakarta office employees (including seconded in Jambi Merang).

Conduct ergonomic and air quality surveys at least once before the end of the second quarter and define an action plan based on the results.

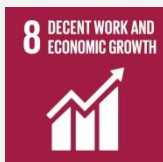
WHAT HAVE WE ACHIEVED?



We have conducted “Lunch and Learn” sessions which focused on the following topics: “Ergonomic”, “Pandemic” and “Indoor air quality”. It reached 80% of the employees.

We have carried out an indoor air quality monitoring at our Jakarta office. This monitoring was performed by an independent laboratory services contractor to review the indoor air quality as per Indonesia Government Regulation. The result is being reviewed by HSE team for further actions.

CONTRIBUTION TO THE SDGs:



ACTION

Disseminate the 10 Repsol Basic safety rules among all our contractors and partners.

DESCRIPTION

We will disclose the Repsol 10 Basic safety rules to all of our contractors (low, medium and high risk group) and partners. The contractors target both workers who will be sent to site, Jakarta office representatives and management..

INDICATOR

Conduct workshop and or “Contractor HSE day for Repsol 10 Basic Safety Rules” at least once before the end of the third quarter.

WHAT HAVE WE ACHIEVED?



We have conducted 10 Basic safety rules (BSR) socialization in several sessions for Repsol and contractors employees in both location sites and offices. We have disseminated it also via “Indonesia Internal Communication for HSE (Health, Safety and Environment)” and thanks to the booklet and 10 BSR Cards provided both in Indonesian and English language.

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

Deliver the Environmental Protection and Conservation Program to our employees and their families.

DESCRIPTION

We will conduct the Environmental Protection and Conservation awareness to all employees and their family representatives with focus on waste management and energy efficiency (electrical, fuel and water usage). We will support our employees and their families to plant 1.000 trees.

INDICATOR

Train at least 80 % of the employees and 50 % of their family member representatives.

Plant 1,000 trees by the employees and their families.

WHAT HAVE WE ACHIEVED?



We have conducted a 1.000 trees plantation program in Bumi Perkemahan Ragunan on 10 August 2018. It was attended by our employees, including our Management Team. Each of our employees received three kinds of seeds to be planted at home and the environment awareness briefing regarding waste management and energy efficiency. With this program we have promoted environmental awareness in around 85% employees and 55% of their family members.

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

Improve the energy efficiency in our office.

DESCRIPTION

We will replace fluorescent lamps with LED-type lamps that consume less energy, produce less heat, and do not emit any ultraviolet and infrared radiation.

In addition, we will raise awareness to all Jakarta office employees who have an office space to turn off their lights before they go home.

INDICATOR

Replace at least 85% of the fluorescent lamps by end of the third quarter.

Reduce electrical consumption in the office by at least 5% by end of fourth quarter.

WHAT HAVE WE ACHIEVED?



We have replaced 90% of our fluorescent lamps by LED lamps (410 LED lamps in total), reducing electrical consumption by more than 5%. These lamps consume less energy, produce less heat, and do not emit any ultraviolet and infrared radiation.

With this initiative we are improving energy efficiency in the Jakarta office, fighting against climate change and increasing environmental awareness and culture.

CONTRIBUTION TO THE SDGs:



ACTION

Reduce the usage of ozone depletion products in the office.

DESCRIPTION

We will reduce the ozone depletion products which contain chemicals that have negative impact to ozone such as chlorofluorocarbons (CFC). Some examples of these products are fire extinguishers, toners, Type-X, etc.

INDICATOR

Replace all ozone depletion products in the Repsol Jakarta office by others more environmentally friendly.

WHAT HAVE WE ACHIEVED?



Gradually, we have been replacing the portable fire extinguishers at Repsol Jakarta office by non – CFC (Chloro Fluoro Carbons – ozone depleting substance) to support reducing ozone depletion products in our office.

CONTRIBUTION TO THE SDGs:



ACTION

Continue promoting usage of cleaner energy in electricity power generation in Indonesia.

DESCRIPTION

We will promote the use of cleaner energy and the reduction of emissions from electricity generating power plants fired by coal by promoting gas consumption within Indonesia.

INDICATOR

Promote gas as a cleaner alternative to coal within Indonesian Power Sector.

WHAT HAVE WE ACHIEVED?



We are producing natural gas in the Corridor block, where we are a 36% interest holder. The gas sales have been extended under 2nd Amendment of Gas Sales Agreement (GSA) between ConocoPhillips (Grissik) Ltd on behalf of Corridor PSC venture partners and PT Perusahaan Listrik Negara (PLN) dated 29 December 2017. PLN is a state owned electricity company and the Amendment is extending GSA from January 2018 to December 2023.

CONTRIBUTION TO THE SDGs:



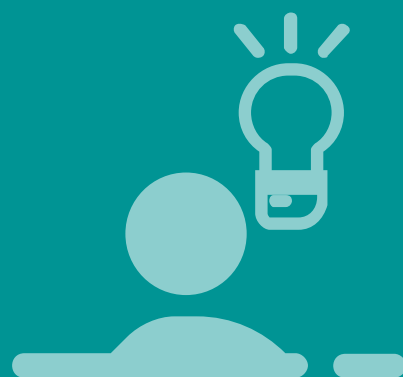
At Repsol, we contribute to sustainable development...

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

Collaborate in innovation and technology development and transfer with key stakeholders in Indonesia.

DESCRIPTION

We will work on technology and innovation projects of mutual interest with Indonesian institutions such as the Special Taskforce for Upstream Oil and Gas Business Activities (SKKMigas), the Department of Oil and Natural Gas (Migas), Pertamina (the Indonesian Oil and Gas Company), or Indonesian universities. We will seek to promote technology transfer and innovation and build local technical capabilities where we operate.

INDICATOR

Have at least one technology or innovation project in collaboration with an Indonesian institution.

WHAT HAVE WE ACHIEVED?



We have been working with Pertamina, the Indonesian national oil company, in a range of technology sharing and development projects that included applying Digital Petrophysics and Enhanced Oil Recovery (EOR). The Technical Collaboration Agreement with Pertamina was signed on July 2017 for one year, but it has been extended for two years for a broader scope and to ensure the continuation of the collaboration.

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.



