



OVERVIEW

2019 SUSTAINABILITY PLAN

Repsol Sinopec-Brasil



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:

10 Actions / 70% Fulfillment

	Ethics and transparency	3 ACTIONS
	People	3 ACTIONS
	Safe operation	1 ACTION
	Environment	1 ACTION
	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...

Gender Diversity - Women in Leadership

In 2019, Repsol Sinopec has carried out actions to promote the professional development of its female employees and accelerate the career progression of women in leadership positions. Through the creation and monitoring of performance indicators that increase the commitment to gender diversity, mapping of female talent and the provision of specific content for this group, 14% of women have reached leadership positions, resulting in a total of 55% of women in senior leadership positions.



People - Reconciliation

To promote innovation and balance between personal and professional life, the Home Office project was launched in October 2019, giving 20% of the company's employees the opportunity to work from home one day a week. Employees and leaders participating in the project received training and information to help them perform their activities well. In 2020, the project can be expanded by applying the improvements identified in the ongoing pilot project.





PRESENTATION

2019 SUSTAINABILITY PLAN

Repsol Sinopec-Brasil



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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

1 Our vision of sustainability

Brasil Business Unit



Repsol Sinopec Brasil (RSB) is part of the Repsol Group, an energy and mobility company that is present in more than 50 countries and acts throughout the value chain: exploration and production, transformation, development and commercialization of efficient, sustainable energy and competitive. In Brazil, Repsol Sinopec is an oil and gas company with non-operated **offshore upstream** activities (set of exploration, development and production activities of hydrocarbons developed offshore, with approximate distances of 200 km from the coast) in the Basins of Campos and Santos. The company's asset portfolio includes three productive fields, Albacora Leste (Petrobras 90% and RSB 10%), Sapinhoá (Petrobras 45%, Shell 30% and RSB 25%) and Lapa (Total 35%, Shell 30%, RSB 25% and Petrobras 10%) - in addition to exploratory blocks with great potential.



FPSO Cidade, São Paulo. Photo: Agência Petrobras



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.

2019 Sustainability Plan

Sustainable Development Goals



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 Repsol Sinopec-Brasil

/ 10

Actions



**Ethics and
transparency**

3 ACTIONS



People

3 ACTIONS



**Safe
operation**

1 ACTION



Environment

1 ACTION



**Climate
change**

1 ACTION



**Innovation
and technology**

1 ACTION

90% 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.

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

Adopt international fiscal risk resolution procedures and strengthen fiscal transparency.

DESCRIPTION

We will proactively, transparently and responsibly engage Brazilian tax authorities through formal procedures for tax inquiries, details on the corporate structure in Brazil (Final Beneficiary) and resolution of risks to forestall double taxation (MAP - Mutual Agreement Procedure) based on the action plan to counter tax base erosion and transfer earnings of the OECD (Organization for Economic Co-operation and Development).

INDICATOR

Establish a formal tax inquiry process representing over \$5 million USD in tax risk and/or greater cash efficiency;

Present the tax structure of the final beneficiary of the Repsol group, namely the companies Repsol Sinopec Brasil S.A., Repsol Exploração Brasil S.A., Repsol S.A. and Repsol Exploración S.A. by 31 December 2019;

Formalize a Mutual Agreement Procedure (MAP) with the Brazilian federal administration by 31 December 2020.

WHAT HAVE WE ACHIEVED?



We have presented the formal consultation to the federal government and the tax structure of the final beneficiary of the Repsol group in June 2019. We have also monitored the evolution of the legislation during the year. Based on the complete operational aspect, we will evaluate the relevance of its presentation to the Brazilian federal administration in 2020.

CONTRIBUTION TO THE SDGS:



ACTION

Cultivate a culture of ethics and transparency.

DESCRIPTION

We will instill a culture of ethics and transparency with employees based on our frame of reference, the Repsol Group Code of Ethics and Conduct, offering training actions.

INDICATOR

At least one conference or workshop for employees by December
Secure at least 80% employee participation in the activity

WHAT HAVE WE ACHIEVED?



We held a workshop given by the legal department where the Code of Ethics and Conduct was presented and the new online course on the Repsol Group's Code of Ethics and Conduct was encouraged, with the participation of 82% of the employees.

CONTRIBUTION TO THE SDGS:



ACTION

Increase tax-related transparency of our upstream operations in Brazil.

DESCRIPTION

We will secure increased tax-related transparency of operations with related parties by simplifying the corporate structure and observing international regulatory compliance practices. Following publication of the new REPETRO (Law No. 13, 586/2017), the need for operating companies in the Netherlands will be reduced, resulting in the transfer of assets and contracts for Brazil.

INDICATOR

Achieve 90% in the underwater equipment transfer by December 2019 and 100% in the FPSO allocation by December 2020

Close the activities of the three Dutch companies (Agri BV, Lapa BV and Guara BV) by December/2021.

WHAT HAVE WE ACHIEVED?



We have transferred 94%, 85% and 88% of underwater equipment from the Lapa, Albacora Leste and Sapinhoá fields, respectively, equivalent to 91% of a total of USD 440 million in assets.

We will complete the activities of the three Dutch companies as 100% of the asset and contract migration is achieved. This activity will start in 2020.

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

Ensure respect for human rights in local communities.

DESCRIPTION

We will design a roadmap to announce and/or collaborate with initiatives implemented by operating partners to benefit communities in the areas of influence, including complaint mechanisms.

INDICATOR

Hold at least three meetings with operating partners in the second half of the year.

Visit at least one local project (if any) according to the phase.

WHAT HAVE WE ACHIEVED?



We have been in touch with the operating partners. Regarding Lapa's assets, located in the Santos Basin, a study on existing social initiatives in the Guanabara Bay (RJ) is underway and complaint mechanisms are available through www.dialogototal-lapa.com.br and telephone number 0800727 9098. Regarding the Sapinhoá asset, located in the Santos basin, the complaint mechanisms are available - website www.comunicabaciadesantos.com.br and telephone number 08007289001

CONTRIBUTION TO THE SDGs:



ACTION

Foster the promotion of diversity and a work-life balance.

DESCRIPTION

We will encourage the promotion of cultural and gender diversity through inclusive practices and actions, including flexibilization.

INDICATOR

Diagnose the actual scope of gender equality internally and develop an action plan.

Host and develop internal activities for recognizing and appreciation of our cultural diversity.

Execute the teleworking pilot project.

WHAT HAVE WE ACHIEVED?



Currently, Repsol Sinopec Brazil's workforce is made up of 55% men and 45% women. In 2019, 14% of women have reached leadership positions, with 55% of them in senior positions. In new hires, 75% are women. We have carried out 29 integration activities and implemented the teleworking pilot project in October with the participation of 20 employees.

CONTRIBUTION TO THE SDGs:



ACTION

Cultivate a better organizational climate and improved talent attraction and retention.

DESCRIPTION

We will engage in a multidisciplinary manner to provide a better employee experience with the organization through Employee Value Proposition (EVP), which includes initiatives in talent management, work environment and communication.

INDICATOR

Evaluate the 2018 climate survey results and draw up an action plan by the second quarter

Conduct a communications campaign in the second half

Develop actions within the scope of the Employee Value Proposition (EVP) program in the second half

Keep staff turnover under 9%.

WHAT HAVE WE ACHIEVED?



We have developed 20 educational activities focused on leadership, safety and health of which we highlight Safety Leap, Repsol Leadership Program, Henko Training and Safety Defensive Driving. We have also provided employees 29 integration actions. In 2019, employee turnover was 13.7%. We have begun the planning process for the "employee branding" communication campaign and its future implementation in 2020 with attractive alternatives for retaining talent.

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.

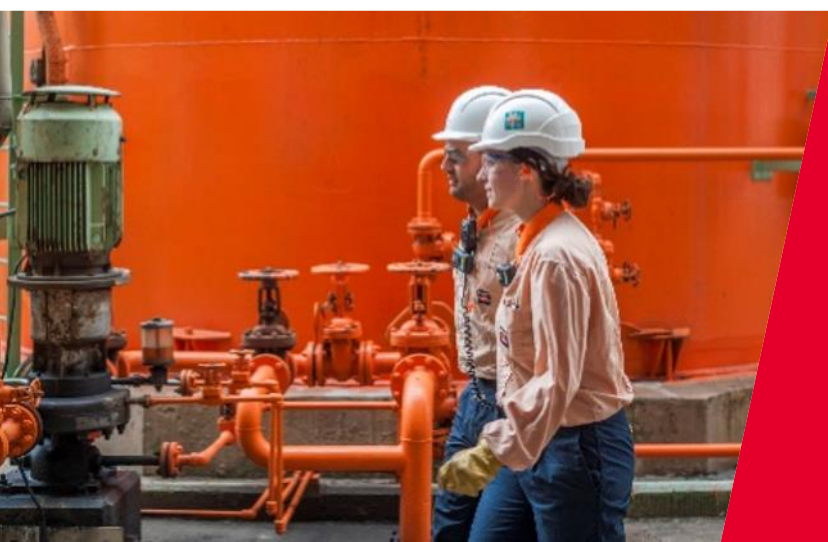


Prevention of personal, process,
and transportation accidents

Incident Management

Emergency management

Safety in product use



ACTION

Promote internally the Safety and Environment Culture.

DESCRIPTION

We will improve the responsibility of each employee on the relevance of safety and the environment in professional and personal activities through training, awareness-raising, use of digital Safety and Environment (S&E) management tools and recognition of positive attitudes.

INDICATOR

Design an S&E training program to run during the 2019-2020 period and complete 80% of the training activities.

Execute at least two emergency drills

Conduct an S&E communications campaign

Report lessons learned, technical visits to assets and safety preventive observations

Recognize reported best practices every three months and award the top best practice reported in the year

WHAT HAVE WE ACHIEVED?



We have scheduled 13 safety and environmental trainings for the period 2019-2020, with a 92% participation in 2019. Communication has been involved in all actions and safety reports have been made through the Synergi digital safety tool. We have identified 4 best safety practices during the year and recognized and rewarded 4 employees for their best safety and environmental behaviors at the end of the year.

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

Support actions in favor of conserving the marine environment and its biodiversity.

DESCRIPTION

We will develop new phases in research projects "Genomes as biotechnological tools" (SENAI and BioBureau), a sun coral genome study; Ariel (ASV Brazil), autonomous robot for early leak detection; and the Tails-Heads Nearshore Test, for automated mobile platform spill detection, thus contributing to the conservation of biodiversity and increasing the efficiency of oil leak monitoring at sea.

INDICATOR

Genomes as biotechnological tools: execute the second phase of the project (genome identification) by Q4 2019.

Tails-Heads: draw up and submit the nearshore testing plan to the Brazilian environmental authorities. Execute the plan upon approval or prepare an alternative solution in case of rejection (Q4 2019).

Ariel: Define and commence the project (Q2 2019).

WHAT HAVE WE ACHIEVED?



The genome of the solar coral has been mapped and the scientific community is reviewing the outcome of the research. We have started the Ariel project (Autonomous Robot for Identification of Emulsified Liquids) in March 2019 in partnership with companies (ASV, Farol) and research centers (UFRJ and COPPETEC). We have presented to INEA (Instituto Estadual do Ambiente) the Tails-Head project (automated spill detection) in partnership with 13-Robotics, UFRJ and COPPETEC in July 2019. Translated with www.DeepL.com/Translator (free version)

CONTRIBUTION TO THE SDGs:



At Repsol, we contribute to sustainable development...

We share society's concerns regarding the effect of **human activity on the climate**, and are firmly committed to the ambition of limiting the average global temperature **rise to 2°C** above pre-industrial levels by the end of the century.

Our challenge is to supply safe, efficient, affordable energy, while reducing emissions of Greenhouse Gases (GHGs). There are many possible paths towards a low-emissions future, in which we have identified three common elements: enhanced energy efficiency and energy savings; reduction of emissions in the generation of electricity, where natural gas will be a key player, and the deployment of low-emission technologies in final sectors. Our commitment is made clear in the target of reducing emissions by 2.1 Mt CO₂ eq by the end of the period 2014-2020, and the Company recently extended this target to a new 2018-2025 Plan to reduce emissions by 3 Mt CO₂ eq. At the same time, we have defined objectives to reduce methane emissions and routine gas flaring by 2025.

We are signatories to the **Oil and Gas Climate Initiative** (OGCI) in a bid to share the best practices and technological solutions, and also partners in the OGCI *Climate Investment* fund to channel a committed investment package of \$1,000 million over ten years for the development of technology to reduce GHG emissions.

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



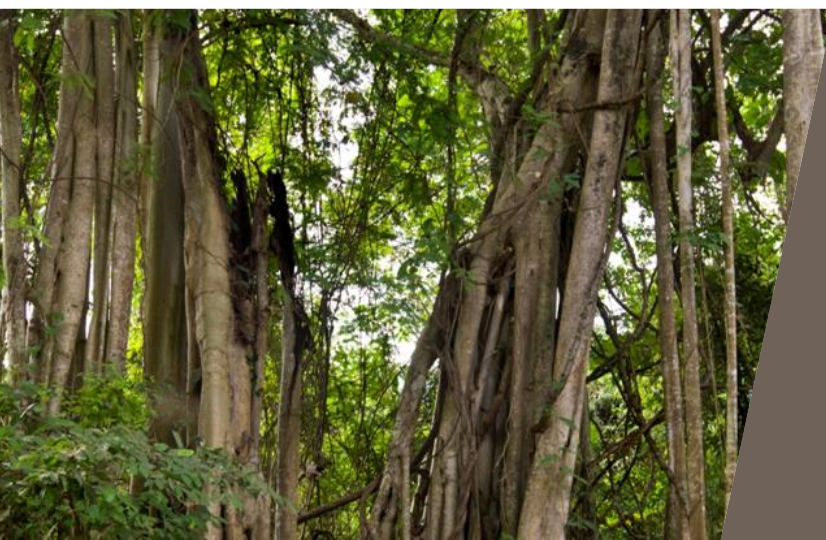
Efficient energy management

Drive the reduction of GHG emissions

Encourage the use of natural gas in electricity generation

Sustainable mobility

Low-emissions economy model



ACTION

Contribute to the company's energy transition strategy with low carbon businesses.

DESCRIPTION

We will organize the company's carbon map considering the emissions at the operational and corporate levels for decision-making and environmental awareness-raising.

INDICATOR

Inventory the GHG emissions per non-operated asset

Inventory the GHG emissions of Ship-to-Ship operations

Inventory the GHG emissions of the office and employees

WHAT HAVE WE ACHIEVED?



We have monitored the emissions of the activities in which we participate on a monthly basis. In relation to the 15 Ship to Ship operations carried out for RSB, the CO2 emissions of the Fendercare company have been 1.82 kt and of the Knutsen ship company have been 57.79 kt. The inventory of emissions from office and employee activities is planned for 2020.

CONTRIBUTION TO THE SDGs:



At Repsol, we contribute to sustainable development...

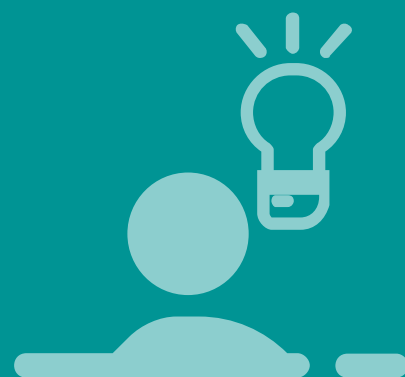
A sustainable future requires **companies that invest in science and technology** to meet the current and future energy challenges through real solutions. We believe in technological innovation as a way to build more efficient and environmentally sustainable energy systems.

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.

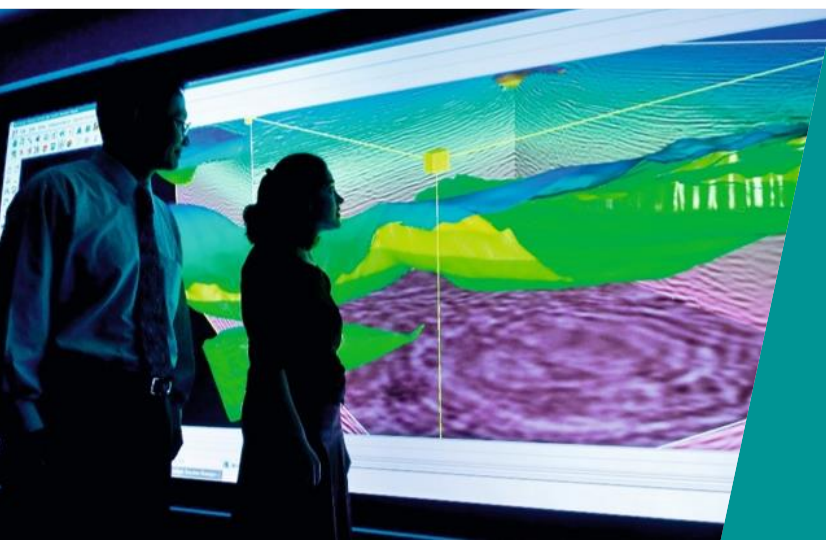
This Sustainability Plan includes a commitment to the following actions, in step with the lines of work that Repsol has set on this axis of sustainability.



Boost innovative activity

Use of new technologies

Promote training and facilitate
the development of the
environment



ACTION

Champion digitalization as a strategy for innovation and development at the Company.

DESCRIPTION

We will encourage innovative ideas with a focus on digitalization through: 1. external public announcement "Repsol Sinopec Digitalization Challenge" in association with SENAI; 2. research projects that generate safer and more efficient operating conditions; 3. creation of "Virtual Meeting Room" (VMR) collaboration spaces with broad technological support for simplifying integration and work among employees.

INDICATOR

Prepare and launch the "Repsol Sinopec Digitalization Challenge" in the second quarter;

Develop five research projects: Squidbot, Tank Simex, Digital Twin, Gold Velox and Premon.

Adapt the existing six meeting rooms in the office for VRM by December.

WHAT HAVE WE ACHIEVED?



We launched the public announcement "Repsol Sinopec de Digitalização Challenge" in partnership with the research and technology centers Acelera CIMATEC and SENAI CIMATEC in April 2019, with the approval of five projects.

We have developed five research projects in accordance with the execution schedule planned for 2019.

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.

