

A scenic landscape of Ecuador featuring a large body of water, likely a reservoir, surrounded by lush green hills and mountains under a cloudy sky. The foreground shows a dense forest of tall trees.

# OVERVIEW

## 2019 SUSTAINABILITY PLAN

Ecuador



# 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:

16 Actions / 100% Fulfillment

	<b>Ethics and transparency</b>	⋮	2 ACTIONS
	<b>People</b>	⋮	8 ACTIONS
	<b>Safe operation</b>	⋮	2 ACTIONS
	<b>Environment</b>	⋮	2 ACTIONS
	<b>Climate change</b>	⋮	1 ACTION
	<b>Innovation and technology</b>	⋮	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.

# 2019 Sustainability Plan

## Noteworthy projects



At Repsol, we contribute to sustainable development...

### Complaints and claims workshop

Implement the Complaints and Claims Procedure that can be accessed by the indigenous communities in the area of influence of Block 16 operations. Train communities and their own staff and contractors on this instrument.



### Equality Awareness

Raise awareness among Business Unit employees about gender equality, diversity and equal opportunities.

### Restauración Amo A

Reforestation of affected areas in accordance with the restoration plan approved by the Ministry of the Environment. Physicochemical and biological monitoring has been carried out with positive results for the environment.







# PRESENTATION

## 2019 SUSTAINABILITY PLAN

Ecuador



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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



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 Ecuador / 16 Actions



**Ethics and  
transparency**

**2 ACTIONS**



**People**

**8 ACTIONS**



**Safe  
operation**

**2 ACTIONS**



**Environment**

**2 ACTIONS**



**Climate  
change**

**1 ACTION**



**Innovation  
and technology**

**1 ACTION**

56% 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

Manage purchases and contracts of the Ecuador Business Unit for local and/or domiciled vendors, suppliers and contractors.

## DESCRIPTION

We will make every effort to have local purchases and contracts with national vendors or ones domiciled in Ecuador.

## INDICATOR

Achieve that at least 80% of purchases and contracts are with local companies or entities domiciled in Ecuador.

## WHAT HAVE WE ACHIEVED?



We have worked with local suppliers to promote their participation in tenders. We have prioritized purchasing and contracting from local suppliers over international suppliers. We have rejected international purchases that receive an extra 15% penalty that benefits local consumption and is also stipulated within our contract with the Ecuadorian State.

## CONTRIBUTION TO THE SDGs:



### ACTION

Monitor compliance with legal, tax-related and labor obligations of complementary service contractors.

### DESCRIPTION

- We will conduct monthly monitoring of compliance with employment obligations of complementary service companies with the Ecuadorian Social Security Institute.
- We will run monthly monitoring of compliance by complementary companies before the Internal Revenue Service and the Superintendence of Companies.

### INDICATOR

Complete monthly review of the four complementary service companies before settling invoice payments.

### WHAT HAVE WE ACHIEVED?



We have complied with the monthly review in the internet platforms on the employer and business obligations of the Complementary Services companies before the Ecuadorian Institute of Social Security, the Internal Revenue Service and the Superintendence of Companies.

### 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

Provide Ecuador Business Unit personnel with general Human Rights training.

### DESCRIPTION

We will train non-legal personnel for the operation of Blocks 16 and 67 (Tivacuno).

### INDICATOR

Hold a talk for the Quito staff (management) and invite representatives of the main contractors, twice a year.

### WHAT HAVE WE ACHIEVED?



We have trained both administrative personnel and field staff in aspects related to the correct treatment of human rights, through 10 workshops aimed at contract holders and suppliers, with examples to reinforce knowledge in this area.

### CONTRIBUTION TO THE SDGs:



### ACTION

Train Ecuador Business Unit personnel in matters of Civil Liability/Compliance with obligations in the performance of service contracts.

### DESCRIPTION

We will provide non-expert personnel, specifically regarding legal matters, for the operation of Blocks 16 and 67 (Tivacuno).

### INDICATOR

Hold a talk addressed to the staff in Quito and the Blocks, twice a year.

### WHAT HAVE WE ACHIEVED?



We have given 4 talks on this subject to different groups of workers in the facilities of Blocks 16 and 67 and in the offices in Quito..

### CONTRIBUTION TO THE SDGs:



### ACTION

Execute the Repsol Ecuador Foundation's social program by monitoring projects already underway and new ones set to commence.

### DESCRIPTION

We will track projects already underway and launch new ones for the Repsol Ecuador Foundation centered on the areas of: health, education and inclusive projects.

### INDICATOR

Start-up at least four new projects in 2019.

### WHAT HAVE WE ACHIEVED?



During 2019, we have carried out twenty-seven projects, thirteen of which are new social projects to benefit the communities in the area of influence of Blocks 16 and 67, and the administrative area.

### CONTRIBUTION TO THE SDGs:





### ACTION

Further the awareness of Business Unit employees about gender equality, diversity and equal opportunities.

### DESCRIPTION

- We will socialize the Corporate Guide on "Gender Diversity and Equal Opportunities" to all staff.
- We will guarantee equal opportunities in all processes (compensation, selection, job positions, mentoring programs, internal facilitators).

### INDICATOR

Inclusion of at least one woman in each identified process and in each socialization talk.

### WHAT HAVE WE ACHIEVED?



We have carried out a campaign for the socialization and consciousness of the diversity and equal opportunities guide. We have also carried out 11 external selection processes and as a result we have hired 7 women, during the year. In addition, we have formed an internal diversity committee.

### CONTRIBUTION TO THE SDGs:



### ACTION

Implement the plan to improve the current mental health state of Ecuador Business Unit employees.

### DESCRIPTION

- Depression Map in BL16.
- Stress and Work Anxiety Map.
- 2019 Repsol worker mental health improvement action.

### INDICATOR

Reach at least 90% of the workforce.

### WHAT HAVE WE ACHIEVED?



We have worked on Repsol Ecuador's Integral Health Plan with the participation of 86% of the workforce. Our employees voluntarily answered surveys and interviews with specialised professionals. We have elaborated a plan of action with the results, focused on addressing issues such as relationships, sleep hygiene, self-esteem, stress and anxiety, among others. Repsol is concerned not only with physical health, but above all with the mental health of its employees.

### CONTRIBUTION TO THE SDGs:



### ACTION

Implement the Complaints and Grievances Procedure, which indigenous communities in the direct area of influence of Block 16 will be able to access. Train communities, own staff and contractors regarding this instrument.

### DESCRIPTION

Repsol adheres to the United Nations Guiding Principles on Business and Human Rights, which encompasses is the principle of Due Diligence, whose model was amended by the UN in 2017. In this regard, as of this year we will implement the Complaints and Grievance Procedure, which will be accessible to indigenous communities in the area of direct influence of the operations of Blocks 16 and 67 (Tivacuno).

### INDICATOR

Training for 90% of own personnel, contractors or subcontractors, and the Waorani communities, including the NAWE and Kichwa in the area of influence.

### WHAT HAVE WE ACHIEVED?



We have held workshops with the Waorani Nationality of Ecuador - NA.W.E, in the city of Puyo; with the intrablock Waorani communities and the Kichwas communes of Pompeii and Río Indillama. Likewise, in the production facilities in the north and south we have held workshops with our own personnel, contractors and subcontractors.

### CONTRIBUTION TO THE SDGs:



### ACTION

Negotiate, agree and execute 98% of the 2018 Annual Operating Plan and its programs in matters of: education, health, organizational support, etc., with the Waorani Nation (NAWE) - Including the completion of quarterly processes.

### DESCRIPTION

Reach an agreement with NAWE regarding the 2019 Annual Operating Plan and its various programs, which must be 98% executed by the end of the year. We will also provide quarterly accounts of the management between Repsol and NAWE. Action enabling monitoring and scheduled tracking.

### INDICATOR

Execution of 98% of the 2018 NAWE Annual Operating Plan and quarterly accounts.

### WHAT HAVE WE ACHIEVED?



We have fulfilled the activities planned within the Annual Operating Plan of the Warorani Nationality of Ecuador - NA.W.E and the Annual Operating Plan of the Kichwa Communities 2019, as well as 99% of the budget established for them. Similarly, during 2019, the respective accountability with the NA.W.E, the process prior to the 2019 Settlement and the negotiation of the 2020 Annual Operating Plan were carried out.

### CONTRIBUTION TO THE SDGs:





### ACTION

Promote actions related to striking a work-life balance.

### DESCRIPTION

We will encourage and further the actions of the Business Unit related to advancing work-life balance.

### INDICATOR

At least 75% completion of the actions implemented to benefit the staff.

### WHAT HAVE WE ACHIEVED?



We have made the conditions for teleworking more flexible. Additionally, we have carried out 5 campaigns of family visits to Block 16. We have created a breastfeeding room in the Quito offices. We have also carried out extensive integration events for the family. We have worked on the continuity of summer and winter schedules and flexible hours.

### 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.

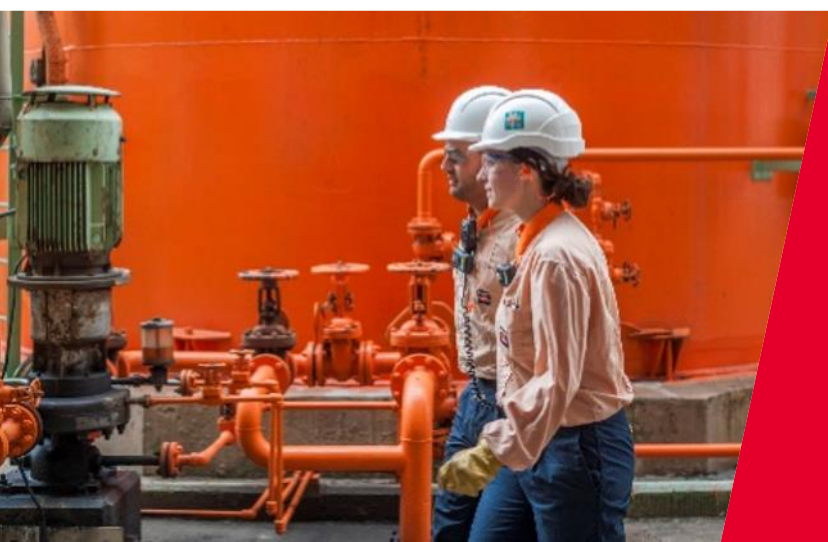


Prevention of personal, process,  
and transportation accidents

Incident Management

Emergency management

Safety in product use



### ACTION

Manage risks at facilities.

### DESCRIPTION

We will conduct a cross-referenced audit on performance standards for critical safety elements.

### INDICATOR

Run a cross-referenced audit in the first half of the year to follow up on the one conducted in 2018.

### WHAT HAVE WE ACHIEVED?



- We have reviewed and updated 100% of the Performance Standards for safety and environmental critical equipment.
- We have determined which are the competencies required for the people who occupy a position in charge of executing critical tasks and processes.
- We have fulfilled 100% of the objective of compliance with the 2019 Hazard Management Plan in terms of process safety.
- We have exceeded the initial objective by reformulating the entire process.

### CONTRIBUTION TO THE SDGs:



### ACTION

Identify the positions and critical activities of personnel for Safety and the Environment.

### DESCRIPTION

We will conduct an analysis to identify the safety barriers of people-based processes, which will determine the positions and critical tasks that people perform to forestall major accidents.

### INDICATOR

Full analysis matrix delivered by year end.

### WHAT HAVE WE ACHIEVED?



-We have identified the critical tasks and processes for safety and the environment based on the personnel who must execute them. These critical positions act as people-based barriers within the Hazard Management process.

-We have determined which are the competencies required for the people who occupy critical positions and we have also generated the matrix where the positions are identified.

### 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

Complete the Amo A restoration plan for 2019.

### DESCRIPTION

We will execute the 2019 Plan presented to the Ecuador Ministry of the Environment, which contemplates actions to complete the remediation of the area affected by the Amo A spill.

### INDICATOR

Achieve 100% compliance with the activities planned for 2019.

### WHAT HAVE WE ACHIEVED?



- We have fulfilled 100% of the reforestation of the affected areas according to the restoration plan.
  - We have complied 100% with the physical-chemical monitoring of the affected area with positive results.
  - We have carried out 100% biological monitoring of the affected area with positive results and the restoration plan approved by the Ministry of the Environment that includes all the activities to be executed in 2019.
- We will send a final report to the Ministry of the Environment in 2020 with the results obtained.

### CONTRIBUTION TO THE SDGs:



### ACTION

Continue the freshwater consumption reduction project in rinsing (desalting) the crude oil entering the Topping atmospheric distillation plant.

### DESCRIPTION

Maintain consumption optimization of the freshwater used in the desalination process based on the load of crude oil fed to the Topping plant, verifying compliance with the physicochemical parameters in crude oil and water.

### INDICATOR

Reduce the consumption of freshwater by 40 barrels per day compared to 2018, i.e., 14,600 barrels of water in 2019.

### WHAT HAVE WE ACHIEVED?



- We have decreased the Topping Plant's fresh water consumption.
- For the crude oil desalination process we have optimized water consumption by 50 barrels per day BPD.
- We have gone from using 300 BPD in 2018 to 250 BPD in 2019.
- We have managed to maintain the same physicochemical conditions of the process.
- We have exceeded the target value set for 2019, avoiding the capture of 17,000 barrels of fresh water.

### 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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.



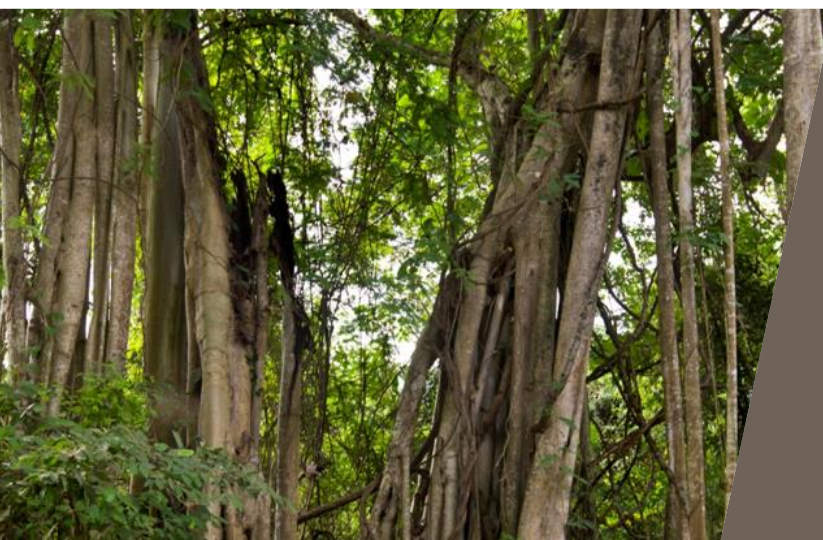
Efficient energy management

Drive the reduction of GHG emissions

Encourage the use of natural gas in electricity generation

Sustainable mobility

Low-emissions economy model



### ACTION

Lower energy consumption in electric submersible pumping systems by continuously optimizing designs and selecting applications.

### DESCRIPTION

Optimize electric submersible lifting equipment whenever the opportunity arises, i.e., when some equipment fails and needs to be replaced. The baseline for a quarterly assessment of the new systems will be the December 2018 energy consumption.

### INDICATOR

Decrease electric submersible hardware consumption by 750 barrels of diesel in 2019, considering the baseline at 31 December 2018.

### WHAT HAVE WE ACHIEVED?



- We have made 23 changes to electro-submersible equipment.
- The total balance of the energy consumption evaluations carried out well by well represents a decrease in diesel use of 6,521 bbl which implies a reduction of 2,788 tCO<sub>2</sub> with respect to 2018, significantly exceeding the proposed objective.

### CONTRIBUTION TO THE SDGs:



#### At Repsol, we contribute to sustainable development...

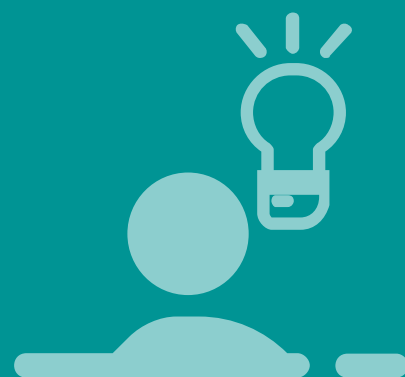
A sustainable future requires **companies that invest in science and technology** to meet the current and future energy challenges through real solutions. We believe in technological innovation as a way to build more efficient and environmentally sustainable energy systems.

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.

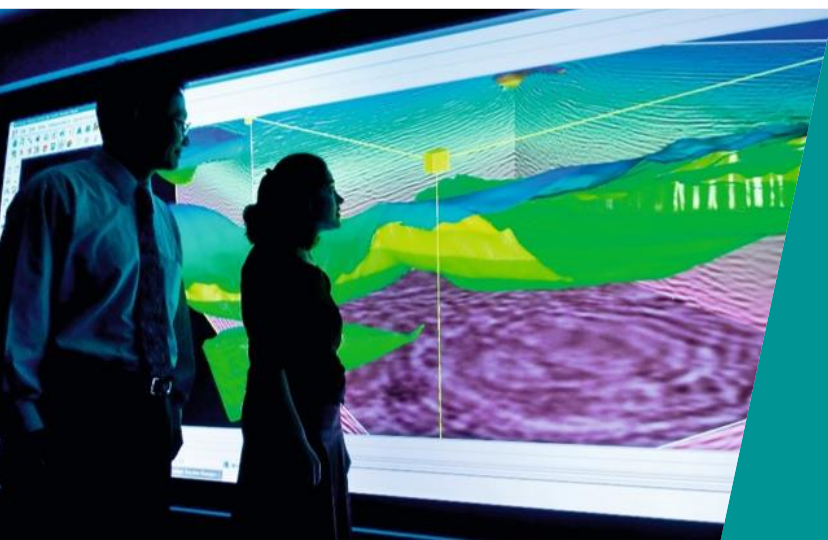
This Sustainability Plan includes a commitment to the following actions, in step with the lines of work that Repsol has set on this axis of sustainability.



Boost innovative activity

Use of new technologies

Promote training and facilitate  
the development of the  
environment





## ACTION

Install an ejector (jet pump) to prevent high levels in fluid evacuation tank (SLOP) on four platforms.

## DESCRIPTION

Install a SLOP tank fluid evacuation system by using surface jet pumping on four platforms. This system will allow the optimization of resources to avoid the purchase of high cost equipment and the use of hydraulic energy instead of fuel and optimization by not using the vacuum.

## INDICATOR

Execution of this project by late October 2019.

## WHAT HAVE WE ACHIEVED?



- We have replaced the use of fossil fuel energy with hydroelectric power.
- In addition, we have optimized the consumption of other resources.

## 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.



