



# Overview 2020 Sustainability Plan Repsol Sinopec Brazil



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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

**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.



# 1 Our vision of sustainability

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

We have been the IOC (International Oil Company) pioneer in crude transshipment operations between vessels for the commercialization of our assets' production.





# 2 2020 Sustainability Plan

## Sustainable Development Goals



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 believe that we must focus on the SDGs in which we can maximize our impact. Thus, regarding the company's strategic plan, the material issues and the local contribution in each of the Sustainability plans, the following SDGs have been selected:

Given our role in access to affordable energy, our contribution to social economic development and the fight against climate change, we have prioritized SDGs 7, 8 and 13.



We believe that the most efficient way of contributing to the 2030 Agenda is to collaborate with other entities



We believe that the most efficient way of contributing to the 2030 Agenda is to collaborate with other entities.



Given our commitment to the optimization of water management, our support for Innovation and Technology, and our focus on the Circular Economy, we have prioritized SDGs 6, 9 and 12.

In 2020, we want to go one-step further in our commitment to sustainable development by publishing an Annual Report on our contribution to the SDGs for the first time.

We wish to make our contributions to the 2030 Agenda clear by publishing more than 30 indicators and commitments, painting a panorama of the efforts we make all around the Company, both locally and globally, to provide solutions to the social challenges we face.

We want to be agents of environmental and social change in the territories in which we operate. We have the resources, the ambition and, most importantly, the commitment we need. That is our ambition and the United Nations 2030 Sustainable Development Agenda shows us the way that we can make this happen.

# 2 2020 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:



## 2 2020 Sustainability Plan

### Noteworthy projects

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

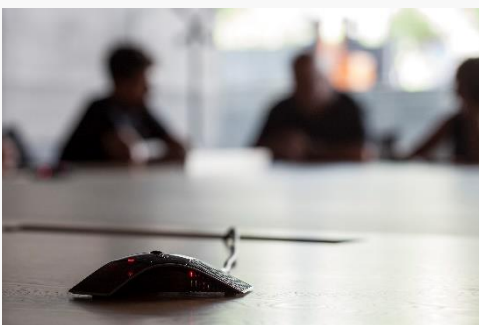
offering continuity to issues that require a permanent focus, such as Ethics, People and Safety, accelerating digital transformation and innovation with a focus on new ways of working and on solutions against climate change.

#### Climate Change



Repsol Sinopec Brazil's technology portfolio has generated innovative results to increase efficiency, safety and sustainability in operations, such as the Ariel project, which has achieved the historic milestone of being the first physical prototype, incorporating a multi-drone system aimed at detecting marine spills, which passed the tests in a relevant environment. We have prepared our first plan aimed at promoting the capture and use of CO2 sources from our E&P assets, acting on climate change mitigation, incorporating a first visualization of possible business development plans, with application to the integrated O&G value chain, which will lead to the first applied technology projects at the beginning of 2021.

#### Conciliation and flexible work



In response to the needs of social isolation imposed by the Covid-19 pandemic, we have revised our home office policy by extending the conditions of the 2019 pilot project, offered to 20 employees, to 100% of employees in 2020. Guided by the new ways of working - we have trained leaders with content on remote team management. We have conducted workshops for all employees with the aim of improving the use of technological tools that support teleworking.

# 2020 Sustainability Plan

## Overview: Summary

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:

15  
Actions

100% Fulfillment



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



# 2 2020 Sustainability Plan

## Ethics and transparency



### 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. We want to be publicly recognized as an honest and transparent company in tax-related matters. Thus, **we are engaged in EITI** (Extractive Industries Transparency Initiative) with the aim of strength our cooperative relationships with the administrations.

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



## 2 2020 Sustainability Plan



### Ethics and transparency

#### Action

Adopt international fiscal risk resolution procedures and strengthen fiscal transparency.

#### Description

We will act in a proactive, transparent and responsible manner before the Brazilian tax administrations through formal tax consultation procedures, detailing the corporate structure in Brazil (Final Beneficiary) and risk resolution to avoid double taxation (MAP -Mutual Agreement Procedure), based on the action plan to combat the erosion of the tax base and transfer of profits of the OECD (Organization for Economic Cooperation and Development).

#### Indicator

Formalize the feasibility analysis of a Mutual Agreement Procedure (MAP) with the Brazilian federal administration and a tax consultation until December 2020.

#### What we've achieved



We have achieved the first step of corporate restructuring that will enable independent cash management by shareholders, dispensing with the need for a mutual agreement (MAP).

#### Contribution to the SDGs:





## Ethics and transparency: Actions

### Action

Increase the fiscal transparency of our upstream operations in Brazil.

### Description

We will increase tax transparency of transactions with related parties by simplifying the corporate structure and respecting international compliance practices. Following the publication of the new REPETRO (Law 13. 586/2017), the need for operating companies in the Netherlands will be reduced, resulting in the transfer of assets and contracts to Brazil.

### Indicator

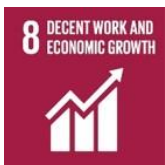
Achieve 100% of FPSO (Floating Production Storage and Offloading) allocation and complete import/allocation of equipment ("subsea equipment") by December 2020.

### What we've achieved



We have reached 100% of the FPSO's (Floating Production Storage and Offloading) allocation and have completed the import of subsea equipment.

### Contribución a los ODS:



# 2 2020 Sustainability Plan

## People



### 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.





## People: Actions

### Action

Stimulate awareness of diversity and inclusion.

### Description

We will carry out actions to promote digital training of unconscious biases for leaders through the Workday Learning tool and we will carry out awareness sessions on diversity and inclusion issues for all employees.

### Indicator

Training of 75% of leaders in the training of Unconscious Biases until December 2020.

Conduct at least 2 sessions with employees to discuss diversity and inclusion issues through December 2020.

## What we've achieved



We have trained 100% of managers and 96.7% of leaders in "Unconscious Bias" training. We have developed 2 webinars and 1 workshop focused on diversity and inclusion issues for employees.

## Contribution to the SDGs:







## People: Actions

### Action

Encourage conciliation and flexible working.

### Description

We will implement the home office project for more employees and offer as support the digital trainings "How to manage teams remotely" and "How to work in Home Office" and we will promote the use of digital tools (Teams and One Drive) to develop a collaborative environment.

### Indicator

Review of the home office policy establishing the conditions and criteria for the extension of the pilot project started in 2019 to Q3.

Training of 100% of the employees participating in the home office program.

Reach 75% of the use of the digital collaborative tools (Teams and One Drive).

## What we've achieved



We have revised our home office policy by extending the conditions of the 2019 pilot project to 100% of employees in 2020, in response to the needs of social isolation imposed by Covid-19. We have also trained leaders with content for remote team management and conducted workshops for all employees to improve their use of technological tools. These tools have facilitated teleworking and have been used by 100% of employees.

## Contribution to the SDGs:





## People: Actions

### Action

Implement a Local Volunteer Program.

### Description

We will develop a local volunteering program combined with international volunteering actions to expand possibilities to support local communities and to develop skills and integrate employees.

### Indicator

Creation of a committee of volunteers.

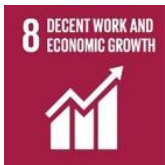
Implementation of 2 activities with the participation of at least 15% of the employees, until December 2020.

## What we've achieved



We have created a multidisciplinary volunteer committee with the participation of 8 employees. Four volunteer activities have been organized in partnership with the Repsol Foundation and local NGOs (Atados, Catadores do Bem, Criola and the Botafogo Refugee Care Center), involving the participation of 57% of employees and assistance to more than 500 people in situations of social vulnerability.

## Contribution to the SDGs:



# 2 2020 Sustainability Plan

## Safe operation



### 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.





## Safe operation: Actions

### Action

Promote a culture of security in the supply chain.

### Description

We will develop safety training for buyers based on the HSE Requirements in E&P Contracts procedure (20-00126PR) and review the safety criteria and requirements in RSB (Repsol Sinopec Brazil) contracts, especially those at high risk, ensuring that service providers' performance is evaluated, contract clauses are updated and proposals are evaluated.

### Indicator

Training of 100% of the Purchasing and Contracts team.

Updating of the contractual clauses.

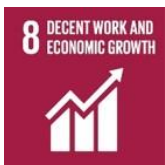
## What we've achieved



We have provided safety training for 100% of the procurement and contracting team, including risk analysis and control measures, basic safety rules, emergency drills, safety audits and inspections, and incident reporting and investigation.

We have conducted an analysis of all high criticality contracts and updated the contractual clauses in accordance with the HSE Requirements in E&P Contracts procedure.

## Contribution to the SDGs:





## Safe operation: Actions

### Action

Manage supplier performance with respect to preventive safety actions in our Ship to Ship operations.

### Description

We will verify the implementation of the recommendations and preventive actions resulting from the annual risk analysis (2019) of oil transfer operations between ships (Ship to Ship) and will promote a forum in Brazil to discuss actions to improve operations with stakeholders.

### Indicator

Conducting technical inspections and documentary evaluation at operational facilities (logistics base, Ship to Ship and off loading operations) to verify the implementation of 100% of preventive safety actions by contractors.

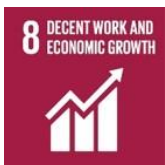
Conduct of forum with stakeholders until December 2020.

## What we've achieved



We have verified that compliance with the recommendations for preventive safety actions has been carried out, as well as the review of risk analysis and improvement in incident reporting. In addition, we conducted a stakeholder forum in December 2020. These checks are based on verification of documentation and evidence submitted by contractors Knutsen and Fendercare.

## Contribution to the SDGs:







## Safe operation: Actions

### Action

Update internal regulations on safety standards in non-operated activities.

### Description

We will review and update the Operating Model with Non-Operating Activities and Contractors ensuring compliance with the overall procedure in terms of safety.

### Indicator

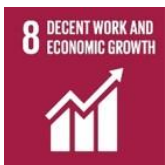
Adaptation of the document and alignment of procedures with partners, if appropriate.

## What we've achieved



We have updated our internal regulations in October 2020, ensuring alignment with global safety standards.

## Contribution to the SDGs:





## Safe operation: Actions

### Action

Continue the deployment of the safety leadership program "Safety Leap" covering 100% of leaders.

### Description

We will involve the leaders for completion of the Safety Leap Leadership Program.

### Indicator

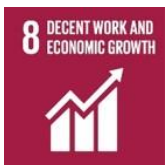
Training for 100% of the leaders.

## What we've achieved



We have managed to train 100% of the leaders in the "Safety Leap" safety program. Due to the complex situation imposed by the Covid-19 pandemic, we have acted responsibly and adapted in the best possible way. Therefore, the Safety LEAP program has been transformed into a virtual experience with personalized itinerary and group sessions.

## Contribution to the SDGs:



# 2 2020 Sustainability Plan

## Environment



### 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.





## Environment: Actions

### Action

Promote an environmental culture in the supply chain.

### Description

We will develop environmental training for buyers based on the HSE Requirements in E&P Contracts procedure (20-00126PR) and review the environmental criteria and requirements in RSB (Repsol Sinopec Brazil) contracts, especially those at high risk, ensuring that service providers' performance is evaluated, contract clauses are updated and proposals are evaluated.

### Indicator

Training of 100% of the Purchasing and Contracts team.

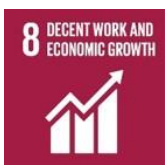
Updating of the contractual clauses.

## What we've achieved



We have provided environmental training for 100% of the procurement and contracting team, with content on emergency response plans for environmental incidents, compliance with legal environmental requirements, and reporting and investigation of environmental incidents. We have conducted an analysis of all high criticality contracts and updated the contractual clauses in accordance with the HSE Requirements in E&P Contracts procedure.

## Contribution to the SDGs:





## Environment: Actions

### Action

Manage the performance of suppliers with respect to preventive environmental actions in our Ship to Ship operations.

### Description

We will verify the implementation of the recommendations and preventive actions resulting from the annual risk analysis (2019) of oil transfer operations between ships (Ship to Ship) and will promote a forum in Brazil to discuss actions to improve operations with stakeholders.

### Indicator

Conducting technical inspections and documentary evaluation at operational facilities (logistics base, Ship to Ship and off loading operations) to verify the implementation of 100% of the environmental preventive actions by contractors.

Conduct of forum with stakeholders until December 2020.

## What we've achieved



We have verified that compliance with environmental preventive action recommendations has been carried out, as well as the review of emergency plans for environmental incidents and the management of atmospheric emissions data. In addition, a stakeholder forum was held in December 2020. These checks are based on the verification of documentation and evidence submitted by contractors Knutsen and Fendercare.

## Contribution to the SDGs:





# 2 2020 Sustainability Plan

## Climate change



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

We share society's concern about the effect that human activity is having on the climate and we are firmly committed to the aspiration of limiting the increase in the planet's global average temperature well below 2°C with regard to pre-industrial levels.

Our challenge is to supply energy in a safe, efficient, accessible and sustainable manner, reducing Greenhouse Gas (GHG) emissions in line with the objectives of the Paris Agreement and the Sustainable Development Goals of the United Nations (SDGs).

Repsol aims to achieve net zero emissions by 2050, making it the first oil and gas company in the world to assume this ambitious goal. It is possible to achieve at least 70% of this target with the technology that can currently be foreseen, and we are committed to applying the best available technologies to increase this figure, including carbon capture, use and storage. We would, if necessary, additionally offset emissions through reforestation and other natural climate sinks to achieve zero net emissions by 2050.

Accordingly, we have joined the Oil and Gas Climate Initiative (OGCI) to share best practices and technology solutions, and participate in the OGCI Climate Investment Fund, to channel the committed investment of \$1 billion over ten years in the development of technologies to reduce GHG emissions on a significant scale.

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





## Climate change: Actions

### Action

Elaborate the CO<sub>2</sub> emission map of the activities in Brazil.

### Description

We will give continuity to the CO<sub>2</sub> emissions inventory at the operational and corporate level for the elaboration of the emissions map of the activities in Brazil.

### Indicator

Inventory of emissions from office activities and employees in work activities.

Map of issues with data at the operational level including non-operational and corporate assets.

## What we've achieved



We have performed the CO<sub>2</sub> inventory of office and employee activities taking into account the constraints imposed by the pandemic. We have prepared the CO<sub>2</sub> emissions map considering the data of non-operated assets.

## Contribution to the SDGs:





## Climate change: Actions

### Action

Elaborate a new line of research for CO<sub>2</sub> management.

### Description

We will map ideas and research projects with a focus on CO<sub>2</sub> capture, storage and monetization that can be integrated into our portfolio of Research, Development and Innovation projects.

### Indicator

Conducting at least one workshop with a reference institution.

## What we've achieved



We have carried out, together with the Research Center for Gas Innovation of the University of São Paulo (USP), a CO<sub>2</sub> workshop with the participation of reference institutions. Based on this exercise, we have prepared our first applied technology development plan, aimed at promoting the capture and utilization of CO<sub>2</sub> sources from our E&P assets, incorporating a first visualization of possible business development plans, with application to the integrated O&G chain.

## Contribution to the SDGs:





## Climate change: Actions

### Action

Be a key company in the energy transition with new business development in natural gas.

### Description

We will be leaders in the process of opening the gas market by actively participating in all stages and discussions involving this opening. We will work together with partners in the search for solutions to monetize pre-salt gas. Through these activities, we will seek to provide society with a reliable, low-emission energy source.

### Indicator

Evidencing, through contracts with third parties, the participation of RSB (Repsol Sinopec Brazil) in the Natural Gas value chain.

Developing monetization options for the gas of the WB-C-33 to enable its development.

Active participation in the Gas Executive Committee in IBP. Commitment to regulatory bodies.

Involvement with regulatory agencies.

### What we've achieved



We have signed the contract for the sale of gas from the Sapinhoá asset and the MOU (Memorandum of Understanding) with the partner Equinor, allowing an important step forward in the development for the monetization of the future gas produced in the BM-C-33 block.

We have identified the main commercial guidelines and defined the milestones.

We have actively acted in the Gas Executive Committee of the Brazilian Institute of Oil and Gas (IBP) participating in the action plan and strategic guidelines for the gas market.

### Contribution to the SDGs:





## 2 2020 Sustainability Plan

### Innovation and technology



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

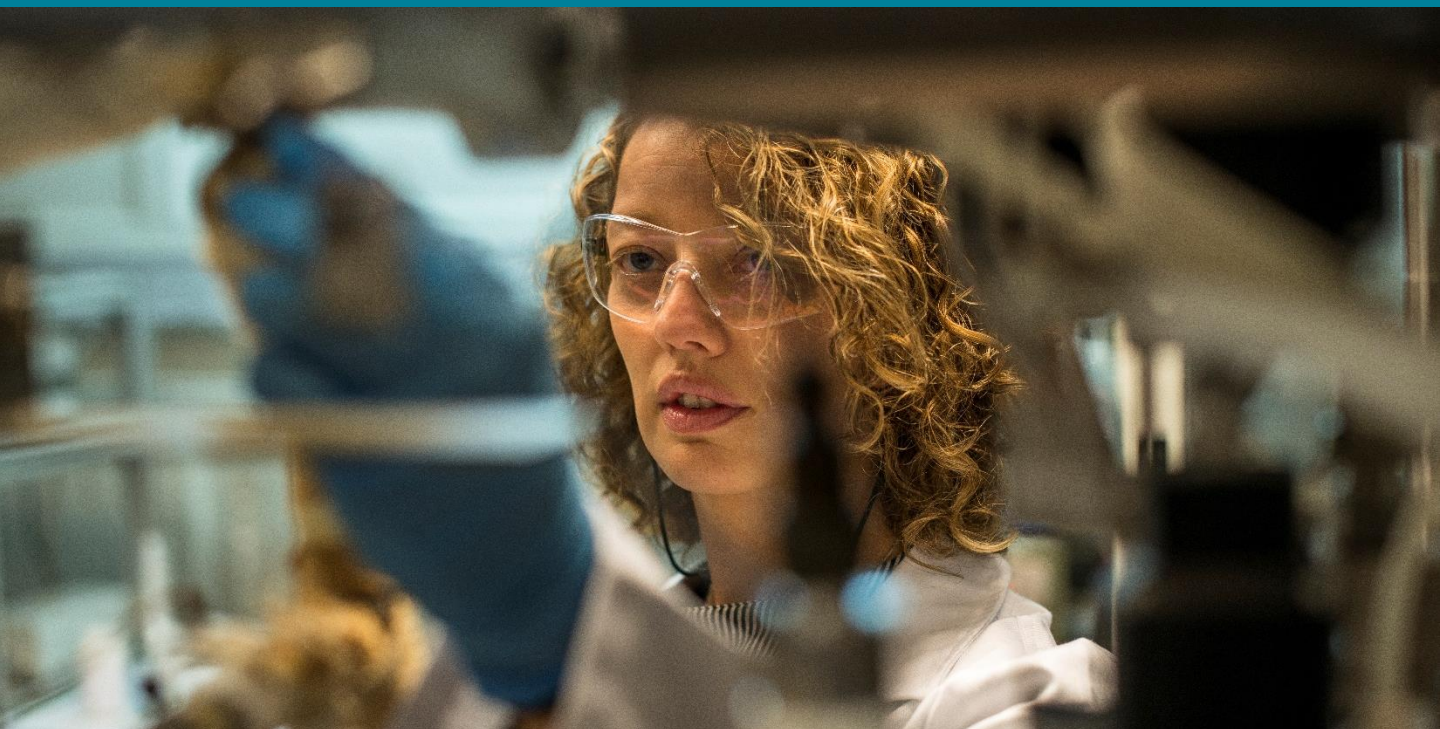
A sustainable future requires **companies that invest in science and technology** to meet the current and future energy challenges through real solutions. We believe in technological innovation as a way to build more efficient and environmentally sustainable energy systems.

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.





# 2 2020 Sustainability Plan



## Innovation and technology: Actions

### Action

Promote the development of new technologies that generate safer and more efficient operating conditions.

### Description

We will invest in research and development projects to build:

- System to monitor the integrity of offshore structures based on fatigue mapping and using wireless subsea technology (Premon).
- Autonomous system for cleaning and inspection of FPSO underwater hull and platform surfaces ensuring greater safety in operations (Brushkart).

### Indicator

Premon: Completion of the prototype and delivery of the strategy for testing the technology until December 2020.

Brushkart: Manufacturing and testing of prototype in a swimming pool and in one of the non-operated assets until December 2020.

## What we've achieved



We have laboratory tested Premon's prototype in partnership with the start-up RIOAnalytics, (University of São Paulo -USP). The next step will be to test the technology in YME, an oil field in Norway. We have manufactured the Brushkart prototype and in partnership with the Pontifical Catholic University of Rio de Janeiro (PUC-Rio) and tested it in the laboratory (ultrasound to measure corrosion on surfaces).

## Contribution to the SDGs:



### 3 Process of updating the Plan

#### **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.



