



2020 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

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 fully where we are present



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

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



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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

Summary

2020
Sustainability Plan
Ecuador

20
Actions

 **Ethics and
Transparency**

6 Actions

 **People**

8 Actions

 **Safe
operation**

2 Actions

 **Environment**

1 Action

 **Climate
change**

2 Actions

 **Innovation
and technology**

1 Action

65% 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.

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

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

Description

We will exhaust all instances for purchases and contracts to be made locally with national suppliers or those domiciled in Ecuador.

Indicator

Ensure that at least 80% of purchases and contracts are from local companies or companies domiciled in Ecuador.

Contribution to the SDGs:



2 2020 Sustainability Plan



Ethics and transparency

Action

Monitor the compliance of complementary service contractors with their legal, fiscal and labor obligations.

Description

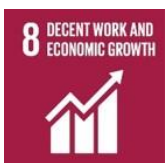
We will carry out monthly monitoring of compliance with the employer's obligations to the Ecuadorian Social Security Institute for complementary services.

We will carry out monthly monitoring of complementary companies' obligations before the Internal Revenue Service and the Superintendence of Companies.

Indicator

Comply with the monthly review of the 4 complementary service companies prior to the payment of the invoices.

Contribution to the SDGs:



2 2020 Sustainability Plan



Ethics and transparency

Action

Coordinate the execution of a survey with contractors on compliance with contractual clauses relating to human rights and labour rights.

Description

We will develop a survey of compliance with contractual obligations with specialized technical service contractors.

Indicator

Prepare the survey in coordination with the Purchasing and Contracts area.

Contribution to the SDGs:



2 2020 Sustainability Plan



Ethics and transparency

Action

Publish information on fiscal policies and practices, as well as our fiscal contribution in Ecuador, as a good practice of transparency.

Description

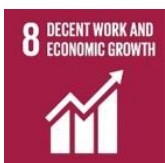
We will communicate to our internal stakeholders, through a management report, information regarding tax payments in Ecuador, as well as relevant information on tax issues, according to the criteria required as an integral part of EITI.

Indicator

Prepare and send the Repsol Ecuador report on payments to governments for the integrated management report of the Repsol group.

Prepare a communication on relevant information on fiscal matters to Repsol Ecuador's internal stakeholders, which will enable them to meet the requirements for participation in the EITI.

Contribution to the SDGs:



2 2020 Sustainability Plan



Ethics and transparency

Action

Continuously training the staff of the Ecuador business unit by conducting workshops on compliance and due diligence.

Description

We will hold workshops on compliance and due diligence for staff in Quito and Blocks 16 and 67.

Indicator

Carry out a talk in Quito and one in Blocks 16 and 67.

Contribution to the SDGs:



2 2020 Sustainability Plan



Ethics and transparency

Action

Negotiate, agree and execute the Annual Operating Plan and its programs in education, health, organizational support and others, with the Waorani Nationality.

Description

Agree with the Waorani Nationality of Ecuador on the 2020 Annual Operating Plan and its various programs. These must be implemented until the end of 2020. We will render quarterly management accounts; this action will make it possible to monitor and carry out planned follow-up.

Indicator

Execution of the plan at 98%.

Accountability (quarterly).

Contribution to the SDGs:



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.



2 2020 Sustainability Plan



People

Action

Train the members of the security company on voluntary principles, security and human rights.

Description

We will carry out a socialization and training campaign on voluntary principles, security and human rights aimed at all private security company personnel in the Quito offices and in Blocks 16 and 67.

Indicator

Train 100% of the private security contractor's staff.

Contribution to the SDGs:



2 2020 Sustainability Plan



People

Action

Maintain continuous training for the staff of the Business Unit, through the production of videos on human rights and civil responsibility.

Description

We will make short videos for each specific topic that are explanatory and exemplary. These videos will be distributed both in the Quito offices and in Blocks 16 and 67.

Indicator

Two one-minute explanatory videos.

Contribution to the SDGs:



2 2020 Sustainability Plan



People

Action

Promote diversity in the company.

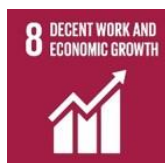
Description

We will carry out training on unconscious prejudices to the director, managers and chiefs of Quito and of Blocks 16 and 67.

Indicator

Train the director, 75% of managers and 50% of bosses.

Contribution to the SDGs:



2 2020 Sustainability Plan



People

Action

Have a balanced recruitment process.

Description

We will continue with the parity exercise in the recruitment of permanent staff with a focus on the progression model and new professionals/senior graduates (woman/man).

Indicator

Recruit at least 50% female staff.

Contribution to the SDGs:



2 2020 Sustainability Plan



People

Action

Promote the modality of teleworking in the offices of Quito.

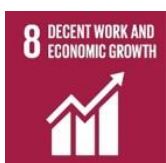
Description

We will increase the rate of teleworkers in identified positions that can access this modality.

Indicator

Increase telework mode to 20%.

Contribution to the SDGs:



2 2020 Sustainability Plan



People

Action

To execute the social programme of the Repsol Ecuador Foundation, by monitoring the projects that are underway.

Description

We will develop 14 projects with the Repsol Ecuador Foundation aimed at improving local health facilities, therapeutic support for children and education for young people and children.

Indicator

Monitoring of all ongoing projects.

Contribution to the SDGs:



2 2020 Sustainability Plan



People

Action

Support the Directorate for the Protection of Peoples in Voluntary Isolation with the purchase of radio equipment for monitoring the Tagaeri Taromenane intangible zone.

Description

We will support Ecuador's Secretary of Human Rights, within the framework of the Protection of Indigenous Peoples in Voluntary Isolation. We will donate equipment to the Tagaeri Taromenane intangible zone and the monitoring points installed in the communities, some of which are located in our direct area of influence.

Indicator

Deliver 5 radio stations in 3 Waorani communities and 2 for the buffer zone.

Contribution to the SDGs:



2 2020 Sustainability Plan



People

Action

Conduct a culture survey to identify new ways of working.

Description

We will carry out a survey of all the employees of the Business Unit in Ecuador that will allow us to identify new ways of working that will be evaluated and could later be applied.

Indicator

Achieve 62% participation in the staff culture survey in Quito.

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.



2 2020 Sustainability Plan



Safe operation

Action

Implement the plan for cross inspections of safety conditions in industrial and administrative facilities.

Description

Coordinators of all areas and occupational physicians are assigned the responsibility of implementing a safety checklist, which will serve to verify that the conditions of the facilities are in good condition and thus avoid possible incidents.

Indicator

Achieve 100% of the inspection plan before 31 December 2020.

Contribution to the SDGs:



2 2020 Sustainability Plan



Safe operation

Action

Implement the Change Management Procedure in the Business Unit Ecuador.

Description

Assessing risks and mitigating them prior to possible changes in facilities, maintenance frequencies and personnel organization to ensure that there are no safety issues.

Indicator

Implement the procedure before 30 November 2020.

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.



2 2020 Sustainability Plan



Environment

Action

Define a risk reduction program to avoid leaks or spills reaching the environment in the assets operated by the company.

Description

We will identify the receptors with the highest vulnerability in the event of a leak or spill greater than 10 barrels or requiring active remediation for 1 to 5 years.

We will verify the impacts (including costs) and risk levels for the chosen leakage or spill scenarios.

We will evaluate the effectiveness of the barriers in place and define a plan to improve them for the chosen scenarios.

Indicator

Achieve 100% of the risk minimisation plan before 31 December 2020.

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.



2 2020 Sustainability Plan



Climate change

Action

Reduce CO2 emissions by reducing energy consumption in electro-submersible pumping systems through continuous optimization.

Description

We will optimize the electro-submersible pumping systems under opportunity, this is when some equipment fails and needs to be replaced. The baseline will be energy consumption as of December 2019 for a quarterly evaluation of the new systems.

Indicator

Decrease the consumption of the electro-submersible park by 750 bbl of diesel for the year 2020 considering the baseline at December 31, 2019.

Contribution to the SDGs:



2 2020 Sustainability Plan



Climate change

Action

Connect the plant located in the city of Shushufindi to the national electrical system through the National Corporation of Electricity of Ecuador.

Description

The project, which began in May 2019, consists of connecting to Ecuador's national system, where most of the energy comes from hydraulic power, and thus will significantly reduce the operation of the diesel turbines at the Shushufindi location.

Indicator

Reduce 3000 tons of CO2 considering as a baseline the year 2019 before the interconnection to the national system.

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



Action

Promote digitalization in the company.

Description

We will train and promote new technologies to employees to improve efficiency at work.

Indicator

Achieve the use of new technological tools to 70% of the employees.

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.





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