

OVERVIEW

2018
SUSTAINABILITY
PLAN

United States



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:

7 Actions / **71%** Fulfillment



Ethics and transparency

2 ACTIONS



People

1 ACTIONS



Safe operation

1 ACTIONS



Environment

1 ACTION



**Innovation and
technology**

2 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.

2018 Sustainability Plan

Noteworthy projects

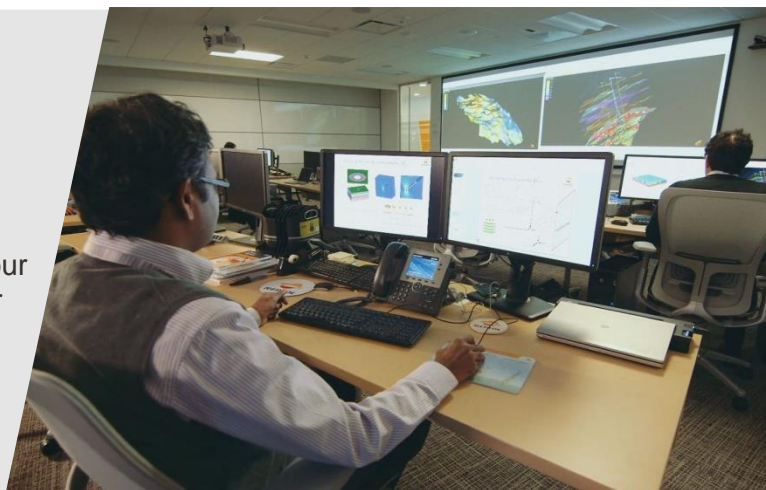


At Repsol, we contribute to sustainable development...

Our USA Sustainability Plan included seven main activities in 2018. We would like to highlight three noteworthy projects in particular:

Digitalization in the cloud

We successfully migrated all users in the United States to the cloud and initiated training to optimize the benefits of “anytime, anywhere” access. This project aligns with the global digitalization objectives in Repsol and enables our business to be more efficient and to improve our scalability, accessibility and collaborative capabilities.



Diversity & Inclusion Committee

We established the Diversity & Inclusion Committee in the Houston Office to promote a culture of diversity and inclusion, as well as pride of belonging among our employees. The committee worked together to develop an action plan focused on gender, culture, generational and disabilities. This project reflects Repsol’s global commitment to equality in the workplace.

Repsol Student Innovation Awards

We hosted an event to celebrate students in our community for their accomplishments in STEM (science, technology engineering and math). The students had the opportunity to present their science projects to more than 200 guests and talk to a former astronaut about what they can achieve through a career in STEM. This program builds the future of energy by encouraging and motivating the next generation of STEM innovators.



PRESENTATION

2018
SUSTAINABILITY
PLAN

United States



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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 put together on the basis of the **six axes** of Repsol's Sustainability Model.



Ethics and transparency

We act responsibly and with integrity wherever we operate



People

We are committed to people and promote their development and social environment



Safe operation

We guarantee the safety of our employees, contractors, partners, and the local community



Environment

We consume the resources needed to generate power more efficiently and with the least possible impact



Climate change

We want to be part of the solution to climate change



Innovation and technology

We encourage innovation and incorporate technological advances to improve and develop ourselves and our environment

2018 Sustainability
Plan
United States

7 Actions



Ethics and
transparency

2 ACTIONS



People

1 ACTION



Safe
operation

1 ACTION



Environment

1 ACTION



Innovation
and technology

2 ACTIONS

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

- Foster an ethical and transparent behaviour.
- Minimize environmental impacts.
- Strengthen our commitment in operational safety.
- Respect for the rights of the communities in the areas of influence.
- Promote innovation and technology as a lever of change and transform.

2018 Sustainability Plan

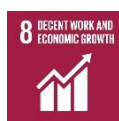
Sustainable Development Goals



The **actions** that make up this **Plan** help support the United Nations' **2030 Agenda** by addressing the following Sustainable Development Goals (SDG):



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



Decent Work and Economic Growth. This plan includes initiatives aimed at achieving higher level of productivity through technology and innovation (target 2) and protecting labor rights and promoting a safe and secure working environment (target 8).



Reduced Inequalities. This plan promotes social and economic inclusion in the areas where we operate (target 2).



Responsible Consumption and Production. The contribution to this goal takes the form of the reduction of waste generation through prevention, reduction, recycling and reuse (target 5).



Peace, Justice and Strong Institutions. This plan commits initiatives related to ethics, accountability, transparency (targets 5 and 6) and inclusive decision-making (target 7).

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

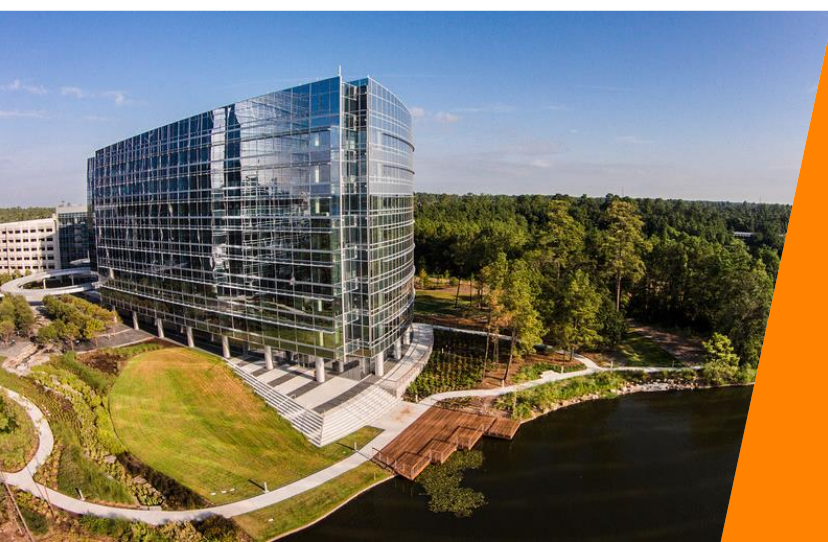
Responsible tax policy

Anti-corruption

Fair competition

Responsible political involvement

Fair marketing and sales



ACTION

Promote cooperative relationships with the tax authorities participating in the International Compliance Assurance Program (ICAP).

DESCRIPTION

We will demonstrate transparency and collaboration with Tax Authorities and reduce uncertainty by actively participating in the initial round of the International Compliance Assurance Program (ICAP).

INDICATOR

Actively participate in the International Compliance Assurance Program.

WHAT HAVE WE ACHIEVED?



We have actively participated and successfully completed the tax risk assessment for our United States operations as part of the International Compliance Assurance Program (ICAP) pilot project with the Organization for Economic Cooperation and Development (OECD).

CONTRIBUTION TO THE SDGs:



ACTION

Reinforce and promote Repsol's high ethical behavior and business practices standards.

DESCRIPTION

We will improve compliance awareness amongst employees by providing training on our Code of Ethics.

INDICATOR

Improve compliance awareness amongst employees by providing training on our Code of Ethics to over 90% of employees.

WHAT HAVE WE ACHIEVED?



We have participated in the global online compliance training for the Code of Ethics that was required by our CEO, Josu Jon Imaz. A majority of employees in the United States were able to complete the course, despite technical difficulties.

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

Promote an integrated culture of diversity and inclusion.

DESCRIPTION

We will promote and develop a culture of integration and diversity amongst employees and contractors.

INDICATOR

Form a Diversity and Inclusion committee and define actions based on findings and implement an action plan.

WHAT HAVE WE ACHIEVED?



We have established the Diversity & Inclusion Committee to improve the diversity and inclusion culture in our Houston Office, and we have launched an action plan to fit local needs in alignment with Repsol's global commitments to diversity in gender, culture, generational and disabilities.

CONTRIBUTION TO THE SDGs:



At Repsol, we contribute to sustainable development...

In pursuit of our goal of **Zero Accidents**, we demand a high level of safety in our processes and facilities, paying special attention to the protection of the people and the environment around us. We apply stringent measures during the design and maintenance of our facilities. We carry out risk analyses following best practices at the international level, manage our response to emergencies efficiently, and provide appropriate training to our employees. In addition, we consider anticipative safety measures key to preventing major industrial accidents.

When we speak about safety, we do not limit ourselves to our facilities, but also refer to raising awareness among **our suppliers and contractors**.

Our commitment in this area is evidenced by the fact that safety objectives determine our **employee's performance-based compensation** by anywhere from 10% to 20%.

Below, we list the actions that show our commitment to safety and our goal of Zero Accidents.



Prevention of personal, process,
and transportation accidents

Incident Management

Emergency management

Safety in product use



ACTION

Drive continuous improvement to our safe operations.

DESCRIPTION

We will continue with risk management reviews in USA business units developing action plan to reduce risk.

INDICATOR

Complete 2018 Risk Management Mitigation Plan by the US business unit NOJV (Non operated joint venture) as part of NOJV HSE Management System collaboration objective.

Test at least 2 Houston Office emergency response drills and business support plan scenarios by the fourth quarter.

WHAT HAVE WE ACHIEVED?



We have developed a Risk Management Process (RMP) for the US Business Unit and successfully utilized the process during recent NOJV (non-operated joint venture) technical reviews. We have completed an emergency response drill with our human resources team to test our plans and identify gaps for mitigation, and we have tested our business continuity plan to assess our preparedness to manage a significant business interruption, including gaps in telecommunications, utilities and other resources.

CONTRIBUTION TO THE SDGs:



At Repsol, we contribute to sustainable development...

At Repsol, we share society's concern regarding the need to care for the environment in which we live. We seek to **minimize the impact of our operations** by adopting a low-emissions strategy, optimizing water management, reducing the contaminant load of spills, managing waste appropriately, improving prevention and response systems during spills, and considering biodiversity to be a key component.

We've taken on the commitment to use the resources involved in our operations efficiently and in a more circular fashion. In 2016, Repsol set a new challenge: to seek Circular Economy opportunities that promote the sharing economy and represent an alternative to the linear economy of extracting, using, and throwing away.

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



Efficient management of natural
resources

Environmental impact
minimization



ACTION

Actively contribute to minimize the amount of waste sent to landfill.

DESCRIPTION

We will develop a campaign strategy on initiatives for minimization of environmental impacts and eco-friendly awareness.

INDICATOR

Partner with Drug Enforcement Administration in one event to promote solutions for disposal of unwanted/unused prescription/pharmaceutical drugs.

Campaign to reuse shopping tote and increase plastic pollution and recycling awareness internally, through 3 communications to all Houston employees.

Campaign for battery recycling and collection bin for internal usage, drop-off and handling, through 3 internal communications.

WHAT HAVE WE ACHIEVED?



We have participated in National Drug Takeback Day with agents from the Drug Enforcement Administration for the community to safely dispose of unwanted/unused prescription and pharmaceutical drugs. We have distributed reusable shopping totes to Repsol personnel in Houston at the Health Fair, and shared one email and two digital board messages to increase recycling awareness and reduce plastic pollution. We have rescheduled the battery recycling campaign in 2019.

CONTRIBUTION TO THE SDGs:



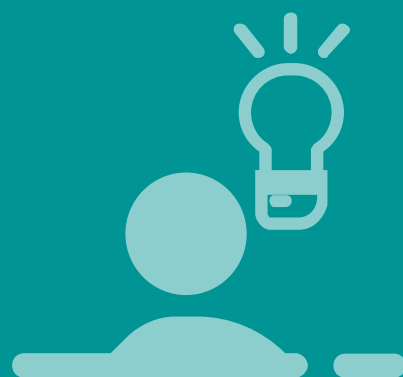
At Repsol, we contribute to sustainable development...

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

At Repsol, we are committed to building a **network of partnerships with universities and research centers**. This promotes the implementation of ambitious ideas that enable us to confront the challenges we are facing and build a sustainable future, in line with our commitment to the environment.

Similarly, we forge alliances and contribute to the growth of companies in emerging areas related to bioenergy, sustainable mobility, energy storage, energy efficiency, and renewable sources of energy.

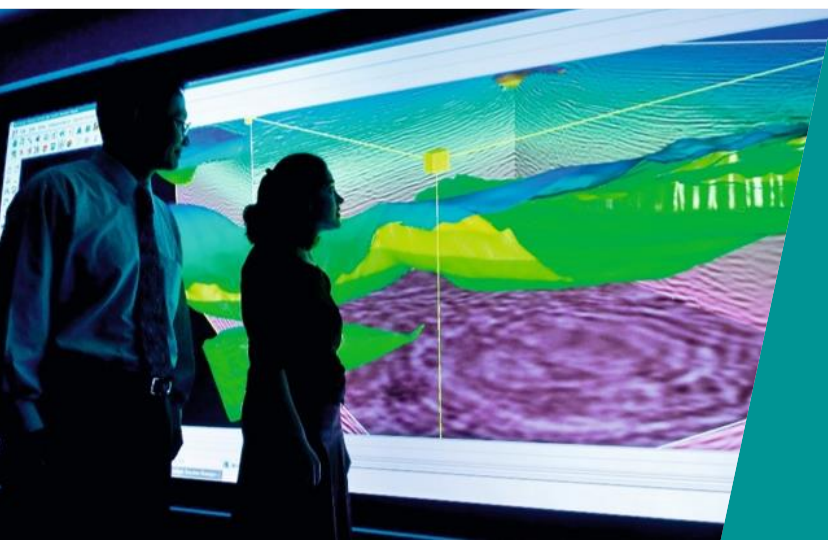
This Sustainability Plan includes a commitment to the following actions, in step with the lines of work that Repsol has set on this axis of sustainability.



Boost innovative activity

Use of new technologies

Promote training and facilitate
the development of the
environment



ACTION

Drive continuous improvement in our innovation and technological development.

DESCRIPTION

We will improve business results by fostering digitalization adoption and transformation. We will execute on other business and IT (information technology) solutions new initiatives, leveraging IT key enablers and faster delivery of value through agile methodologies.

INDICATOR

Complete the planned stages of the chosen digitalization initiatives for Marcellus Business unit.

Continue with the commitment to provide services in the Cloud that enable our US business an environment to efficiently (time + cost) add value with improved scalability, accessibility, and collaborative capabilities.

WHAT HAVE WE ACHIEVED?



We have executed the Marcellus Fracture Analytics project with testing completed for artificial intelligence models capable of integrating up to 10 features and performance indicators and an economic module for quick calculation and scenario comparisons. We have migrated all users to Office 365 and initiated training to optimize the benefits of "anytime, anywhere" access. We have migrated our IT infrastructure to Microsoft Azure to reduce costs, improve scalability and remote access capabilities.

CONTRIBUTION TO THE SDGs:



ACTION

Promote Science, Technology, Engineering and Mathematics (STEM).

DESCRIPTION

We will encourage and recognize primary, secondary and university students involved in STEM Science, Technology, Engineering and Mathematics initiatives to support quality education in our community.

INDICATOR

Host one recognition event with STEM students from the community.

Collaborate with one University study in Innovation and Technology.

WHAT HAVE WE ACHIEVED?



We have hosted the Repsol Student Innovation Awards to recognize local students for outstanding achievements in STEM, with more than 200 community guests and more than 100 Repsol employees in attendance. We have collaborated on studies with Stanford, Texas A&M and the University of Texas to advance new tools and processes for machine learning, data analytics and knowledge sharing to improve E&P performance.

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.



