

OVERVIEW

2019
SUSTAINABILITY
PLAN

Algeria



2019 Sustainability Plan

Overview



At the end of the year, it is time to review each of the initiatives that are part of the Sustainability Plan. The degree to which the objectives have been fulfilled is as follows:

19 Actions / 90% Fulfillment



Ethics and transparency : 2 ACTIONS



People : 6 ACTIONS



Safe operation : 5 ACTIONS



Environment : 2 ACTIONS



Climate change : 2 ACTIONS



Innovation and technology : 2 ACTIONS

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...

Project 1: Celebrating the Sustainability Week in Reggane

The Sustainability Week in Reggane was celebrated in October, organized by Repsol with the support of our partner Sonatrach. Environmental experts from both companies visited the Reggane installations for a week, worked with the local HSE Department on the review and improvement of environmental reporting, conducted a workshop with the local Technical Departments on the identification of initiatives for reducing greenhouse gas emissions, and held presentations on Sustainability for all staff and contractors. The week was topped with a visit to the local community, who explained to the team how their ancient irrigation systems (Foggaras) work.



Introduction to the course



Welcome!

Welcome to this HSE online induction course. The objective of this course is to guide you through the Health, Safety and Environment basic principles that everyone in Repsol's Algeria Business Unit should know.

Sections

The course is organized in Sections that will guide you through different HSE topics.

Final Test

At the end of the course you will have to pass a simple test to ensure the contents have been understood. You will need to get 80% of the questions right in order to pass the test.



Project 2: Online HSE Inductions

The Algeria Business Unit has implemented two separate online Health, Safety and Environment (HSE) induction courses in 2019. Both courses can be accessed through Repsol's training tool or through an external link for people outside of Repsol's organization.

The first course has been designed for Algeria Business Unit employees while the second course is for visitors to the Business Unit who come from outside Algeria. Over 60 people have taken these training in 2019.

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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

2019 Sustainability Plan Algeria / 19 Actions



**Ethics and
transparency**

2 ACTIONS



People

6 ACTIONS



**Safe
operation**

5 ACTIONS



Environment

2 ACTIONS



**Climate
change**

2 ACTIONS



**Innovation
and technology**

2 ACTIONS

74% 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.



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:



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 culture of sustainability celebrating the Sustainability Day.

DESCRIPTION

We will organize with REASA (Repsol Exploracion Argelia S.A) employees and secondees in the country a Sustainability Day, a space that aims to share information and hold presentations on our work and experiences on sustainability, including presentations on HSE (Health, Safety and Environment) related matters, UN Guiding Principles on Business and Human Rights, Voluntary Principles on Security and Human Rights (VPSHR) and Community Relations.

INDICATOR

Celebrate the Sustainability day in the current year.

WHAT HAVE WE ACHIEVED?



The Sustainability Day has been celebrated in the Reggane Gas Plant. Presentations have been held on greenhouse gases, water management, waste management, UN Guiding Principles on Business and Human Rights, and Community Relations.

Approximately 120 people have attended the presentations, including Repsol employees and our partner Sonatrach employees.

CONTRIBUTION TO THE SDGs:



ACTION

Reinforce and promote Repsol's high Ethics and Antibribery and Corruption (ABC) standards and requirements among local contractors and employees.

DESCRIPTION

We will improve compliance awareness to cover all of the current contracted local suppliers and employees, by providing documentation and manuals on Repsol's Code of Ethics and Business conduct, Repsol's Antibribery and Corruption Policy and Integrity Due Diligence.

INDICATOR

Cover 100% of current contracted local suppliers and 100% of employees through awareness-raising on Repsol's standards related to Ethics and Transparency.

WHAT HAVE WE ACHIEVED?



The Supply Chain Manager has shared documentation and manuals on Repsol's Code of Ethics and Business Conduct, Repsol's Antibribery and Corruption Policy and Integrity Due Diligence with 100% of Repsol Algeria direct contractors. The Chief Financial Officer (CFO) has shared this same documentation with 100% of Repsol Algeria employees.

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

Drive continuous improvement in our social performance.

DESCRIPTION

We will develop a Community Relations Strategy for the Algeria Business Unit, aligned with Repsol's Corporate Community Relations and Human Rights standards.

INDICATOR

Deliver a Community Relations Strategy.

WHAT HAVE WE ACHIEVED?



A Community Relations Strategy for the Business Unit Algeria for the period 2019 to 2022 has been developed. The local strategy has been reviewed by the Community Relations corporate function in Madrid, and it has been approved.

CONTRIBUTION TO THE SDGs:



ACTION

Build trust and engage with local communities through support to local development.

DESCRIPTION

We will work with Sonatrach to identify initiatives to contribute local development. The initiatives will be aligned with the Community Relations strategy defined by 2019.

INDICATOR

Select one social investment initiative with Sonatrach and include it in 2020 budget.

WHAT HAVE WE ACHIEVED?



This initiative will be moved to the 2020 Sustainability Plan. In 2019 a support team for Community Relations has been created for GRN (Groupement Reggane Nord, the Joint Venture operating the Reggane Asset). Conversations with community have started and initiatives are being identified. There has been however no time to include any specific initiative in 2020 budgets.

CONTRIBUTION TO THE SDGs:



ACTION

Increase the rate of national employees for the integration of the business in Algeria.

DESCRIPTION

We will increase the percentage of Algerian employees in the Algerian Business Unit with new hires and replacing some exiting expatriate staff with nationals.

INDICATOR

Increase the rate of Algerian employees in Repsol's Business Unit by 10% compared to 2018.

WHAT HAVE WE ACHIEVED?



Despite the efforts towards increasing the rate of Algerian employees in Repsol's Business Unit by 10% compared to 2018, this objective has not been achieved.

The reason for the objective not being achieved is that the number of Algerian employees in the Business Unit has decreased. Five Algerian employees have left the company or retired, while another two Algerian nationals have been assigned to other countries within Repsol..

CONTRIBUTION TO THE SDGs:



ACTION

Promote functional, national, and international mobility among our employees.

DESCRIPTION

We will promote and foster internal mobility as a tool for the development of our employees. We believe that working in other countries or projects with different challenges, business conditions and cultures will be very beneficial for the professional growth of our employees.

INDICATOR

Propose a 10% of local workforce as candidates to participate in mobility programs such as Mobility Assignment or Swapping Program.

WHAT HAVE WE ACHIEVED?



There have been two Algerian employees mobilized internationally (Guyana and Brazil), and other employees that have changed functions and/or geographies within Algeria. The final percentage of mobility among Algerian personnel in the Business Unit has been 23%, which exceeds the objective for this action.

CONTRIBUTION TO THE SDGs:



ACTION

Strengthen our commitment for human rights by applying the Voluntary Principles of Security and Human Rights (VPSHR) to the joint venture GRN (Groupement Reggane Nord).

DESCRIPTION

We will perform a risk assessment of the use of Security forces on Human Rights for GRN (Groupement Reggane Nord), following the methodology proposed by the Voluntary Principles of Security and Human Rights.

INDICATOR

Risk assessment done and shared with GRN by end of 2019.

WHAT HAVE WE ACHIEVED?



A risk assessment of Security and Human Rights has been developed by Repsol for the Security forces deployed in Reggane (GRN).

The risk assessment has been done following the Voluntary Principles on Security and Human Rights Implementation Guidance Tools (IGT). The risk assessment has identified scenarios and mitigation measures and the results have been shared with GRN.

CONTRIBUTION TO THE SDGs:



ACTION

Strengthen our commitment for respecting Human Rights by sharing with Sonatrach and the joint venture GRN (Groupement Reggane Nord), a concept proposal on grievance mechanisms, as a tool that facilitates communication and access to remedy in accordance.

DESCRIPTION

We will develop with the support of required expertise a concept proposal on grievance mechanism, tailored to the reality of the operator, GRN (Groupement Reggane Nord).

INDICATOR

Submit a grievance mechanism concept proposal to (GRN) Groupement Reggane Nord.

WHAT HAVE WE ACHIEVED?



A grievance mechanism concept proposal has been sent to Groupement Reggane Nord (GRN) consortium. The grievance mechanism has been written as an internal GRN procedure, adapted to GRN's structure and local environment.

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.

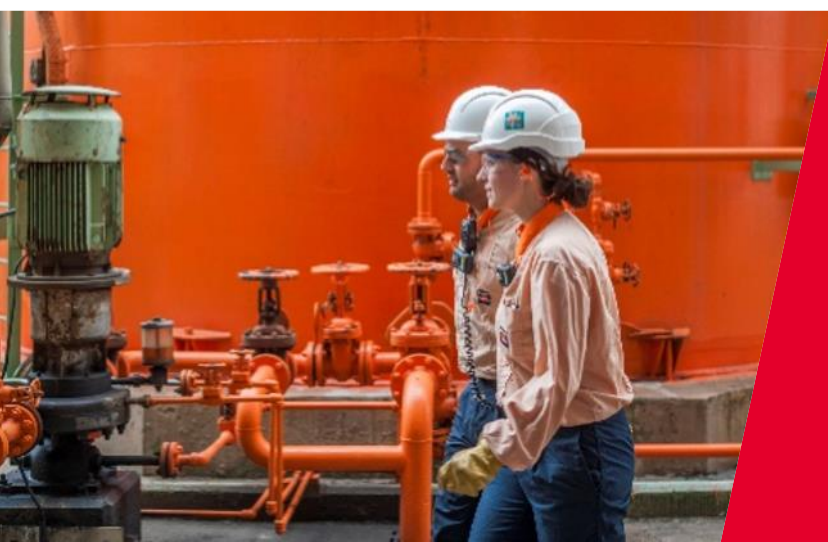


Prevention of personal, process,
and transportation accidents

Incident Management

Emergency management

Safety in product use



ACTION

Drive continuous improvement in our safety performance.

DESCRIPTION

We will support the operating consortium GRN (Groupement Reggane Nord) in the management of process safety, organizing a training session on process safety to GRN employees and by providing assistance on the definition of process safety indicators.

INDICATOR

Train 30% of GRN employees in relevant departments (HSE and Operations) on Process Safety by end 2019.

WHAT HAVE WE ACHIEVED?



Training sessions on process safety have been held in Reggane Plant. The training sessions have focused on how to differentiate process safety from occupational safety and on how to identify and report process safety incidents.

A total of 67 people have attended these sessions, representing approximately 50% of staff in HSE and Operations departments..

CONTRIBUTION TO THE SDGs:



ACTION

Ensure operational safety and security in remote or desert areas.

DESCRIPTION

We will hold several HET (Hostile Environment Training) courses for expats in Groupement Reggane Nord (GRN), taught by specialists, to instruct employees on the safety and security risks they may encounter in remote and desert areas.

INDICATOR

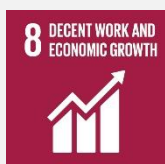
Train 100% of expats by end 2019.

WHAT HAVE WE ACHIEVED?



The Security department has organized training sessions on HET (Hostile Environment Training). This training is provided for learning how to respond in the event of a terrorist attack. After the training, backpacks provided with survival kits have been distributed to all expatriates deployed in remote desert locations.

CONTRIBUTION TO THE SDGs:



ACTION

Reinforce and promote Repsol's high safety standards and requirements by training local contractors and employees.

DESCRIPTION

We will implement an online induction course so that employees and our contractors are knowledgeable of Repsol's safety standards.

INDICATOR

Implement online HSE induction course by the end of 2019.

WHAT HAVE WE ACHIEVED?



The Algeria Business Unit has implemented two separate online Health, Safety and Environment (HSE) induction courses in 2019. Both courses can be accessed through Repsol's training tool or through an external link for people outside of Repsol's organization.

The first course has been designed for Algeria Business Unit employees while the second course is for visitors to the Business Unit who come from outside Algeria. Over 60 people have taken these training in 2019.

CONTRIBUTION TO THE SDGs:



ACTION

Strengthen our HSE (Health, Safety and Environment) culture among employees.

DESCRIPTION

We will hold quarterly HSE meetings to communicate HSE performance, lessons learned from incidents and to share the latest news and developments.

INDICATOR

Hold four quarterly meetings in the Algeria Business Unit.

WHAT HAVE WE ACHIEVED?



Quarterly HSE meetings have been held in Repsol Algiers office in the months of January, April, July and October.

The following issues have been presented in these meetings: HSE objectives, progress of the 2019 Sustainability Plan, incidents and lessons learned, HSE KPIs (key performance indicators), and other HSE-related issues of interest.

CONTRIBUTION TO THE SDGs:



ACTION

Understand safety and environmental management in those assets where Repsol is not the operator but has a participation in the operating company.

DESCRIPTION

We will implement Repsol's new model for safety and environmental management of non-operated assets.

INDICATOR

Implement the new safety and environmental management model for non-operated assets in Algeria.

WHAT HAVE WE ACHIEVED?



We have implemented Repsol's new model for safety and environmental management of non-operated assets. We have created specific Health, Safety and Environment (HSE) Plans for each of the five co-operated or non-operated assets of the Algeria Business Unit, and these HSE Plans have been fulfilled.

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

Promote a culture of transparency in environmental reporting as a first step towards efficient resource management.

DESCRIPTION

We will support GRN (Groupement Reggane Nord) in improving the reporting of environmental parameters, through the review of their reported data and the proposal of actions to achieve transparent reporting. This will be the first step towards ensuring an efficient use of resources.

INDICATOR

Issue a set of proposed actions for environmental reporting and efficient use of resources.

WHAT HAVE WE ACHIEVED?



Repsol has reviewed the environmental reporting performed by Groupement Reggane Nord (GRN) and has issued a set of recommendations for improving data gathering and reporting on water use, waste management and air emissions.

GRN has already started implementing some of these recommendations in 2019.

CONTRIBUTION TO THE SDGs:



ACTION

Raise awareness of potential impacts on natural resources

DESCRIPTION

We will develop a concept proposal for understanding the potential impacts of GRN (Groupement Reggane Nord) activity on groundwater resources availability and quality..

INDICATOR

Develop concept proposal (scope of work) for hydrogeological study in GRN.

WHAT HAVE WE ACHIEVED?



Repsol Algeria has reviewed existing data on groundwater resources and current water use at GRN (Groupement Reggane Nord) and has issued a concept proposal for the development of a Groundwater Impact Assessment, which would include a hydrogeological study.

This study is expected to be performed in 2020.

CONTRIBUTION TO THE SDGs:



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.



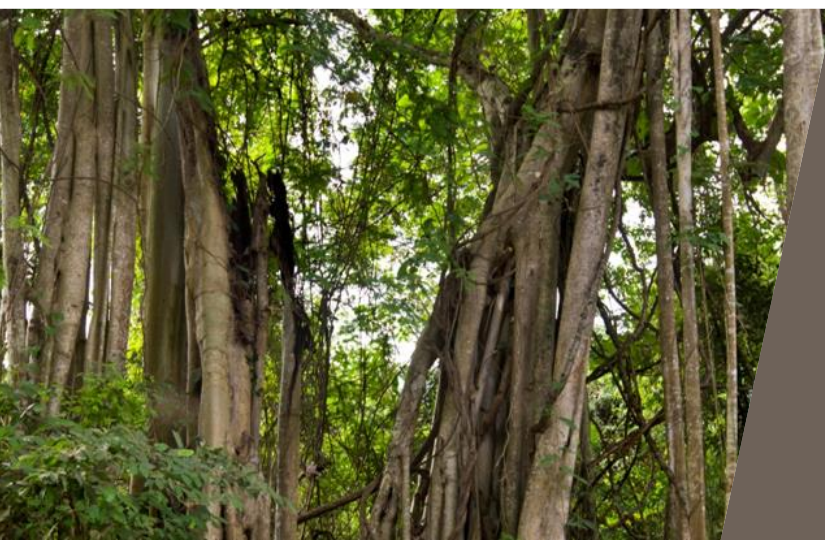
Efficient energy management

Drive the reduction of GHG emissions

Encourage the use of natural gas in electricity generation

Sustainable mobility

Low-emissions economy model



ACTION

Identify opportunities for minimising company CO₂ emissions.

DESCRIPTION

We will support GRN (Groupement Reggane Nord) to identify opportunities for minimizing CO₂ emissions, by understanding current emissions sources and proposing initiatives for their reduction.

INDICATOR

Report CO₂ emissions by the end of the year.
List of potential CO₂ emission reduction initiatives.

WHAT HAVE WE ACHIEVED?



Repsol Algeria has organized a workshop in GRN (Groupement Reggane Nord) for the identification of greenhouse gas emissions reduction opportunities and 15 initiatives have been identified.

Additionally, in 2019 Repsol Algeria has started reporting greenhouse gas emissions from our five non-operated assets.

CONTRIBUTION TO THE SDGs:



ACTION

Promote a decrease in fugitive methane emissions.

DESCRIPTION

We will develop a concept proposal for implementing Lead Detection and Repair (LDAR) program at GRN (Groupement Reggane Nord) which could result in significant methane emissions reduction.

INDICATOR

Concept proposal (scope of work) for LDAR program in GRN.

WHAT HAVE WE ACHIEVED?



Repsol Algeria has generated a concept proposal for a Leak Detection and Repair (LDAR) program for GRN. The proposal has been delivered as a Terms of Reference document to support tendering LDAR services for the control of fugitive emissions..

CONTRIBUTION TO THE SDGs:



At Repsol, we contribute to sustainable development...

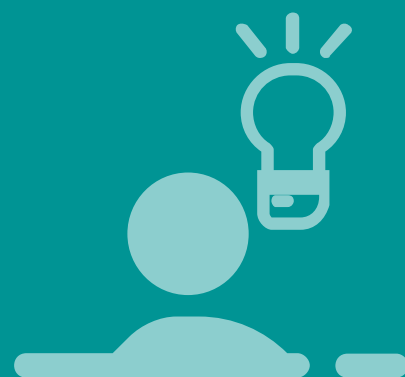
A sustainable future requires **companies that invest in science and technology** to meet the current and future energy challenges through real solutions. We believe in technological innovation as a way to build more efficient and environmentally sustainable energy systems.

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.

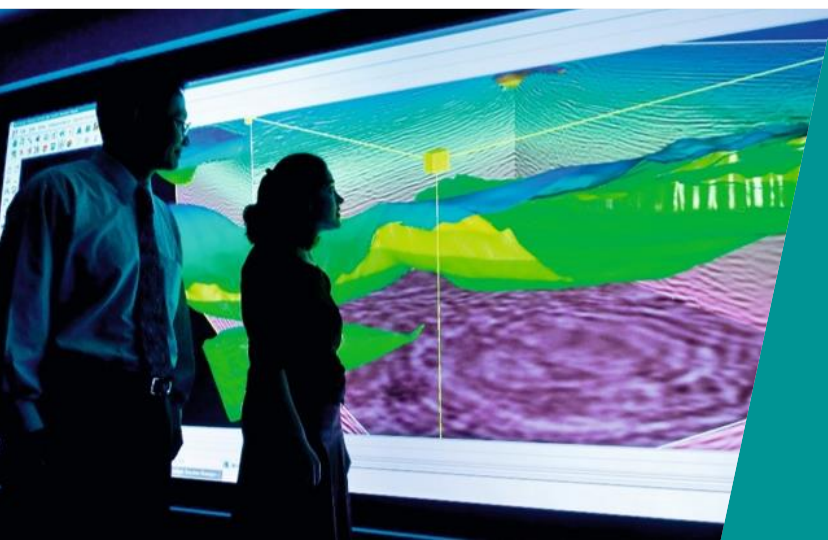
This Sustainability Plan includes a commitment to the following actions, in step with the lines of work that Repsol has set on this axis of sustainability.



Boost innovative activity

Use of new technologies

Promote training and facilitate
the development of the
environment



ACTION

Improve culture of innovation within our employees and local partners.

DESCRIPTION

We will organize a training session with employees and strategic partners, GRN (Groupement Reggane Nord) on culture of innovation, ranging from small improvements up to new technology application.

INDICATOR

Hold one training session before end of 2019.

WHAT HAVE WE ACHIEVED?



On October 30, Repsol has held a session on innovation and digital transformation in GRN (Groupement Reggane Nord, Joint Venture between Repsol and Sonatrach). The two-hour session was attended by 33 people from both Repsol and Sonatrach.

CONTRIBUTION TO THE SDGs:



ACTION

Support the introduction of innovative electronic tools for safety management.

DESCRIPTION

We will support GRN (Groupement Reggane Nord) to implement a computer-based system for the management of HSE processes: incident management, preventive observations and HSE inspections. GRN will be one of the first assets to have one such computer-based system for HSE Management in Algeria.

INDICATOR

Propose definition of modules and roles within the computer-based system.

WHAT HAVE WE ACHIEVED?



Groupement Reggane Nord (GRN) has contracted a computer-based tool for HSE management.

Repsol has supported GRN during the tendering process, aligning GRN's tool with Repsol's, and providing feedback on the implementation process, including the definition of modules and roles for GRN.

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.



