



# OVERVIEW

2019  
SUSTAINABILITY  
PLAN  
Canada



# 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:

10 Actions / 100% Fulfillment

	<b>Ethics and transparency</b>	⋮	3 ACTIONS
	<b>People</b>	⋮	3 ACTIONS
	<b>Safe operation</b>	⋮	1 ACTION
	<b>Environment</b>	⋮	1 ACTION
	<b>Climate change</b>	⋮	1 ACTION
	<b>Innovation and technology</b>	⋮	1 ACTION

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

# 2019 Sustainability Plan

## Noteworthy projects



At Repsol, we contribute to sustainable development...

### Community Report

Our publication of the Community Report demonstrates Repsol's commitment to acting responsibly and with integrity wherever we operate. Our 2019 Community Report showcases Repsol's production and operational highlights, contributions to community benefits, our safety, environmental and social performance, and our employees, ethics and governance matters. It is a tool that allows us to transparently and meaningfully engage with our stakeholders.



### Our relationship with Indigenous communities

Repsol is dedicated to building and maintaining strong and positive relationships with our local Indigenous communities. We

support community-led initiatives that promote and honour Indigenous culture and the preservation of Indigenous culture.

### Field Optimization Transformation Program

Repsol implemented the EZMax application for operations and maintenance staff that has provided a digital solution for our operators and maintenance staff to access their assigned work from their mobile devices; supporting efficiency and safety.







# PRESENTATION

2019  
SUSTAINABILITY  
PLAN  
Canada



# CONTENTS

## 1 Our vision of sustainability and the preparation of this Plan\_\_\_\_\_6

## 2 2019 Sustainability Plan

Sustainable Development Goals_____	8
Summary_____	10
 Ethics and transparency_____	11
 People_____	15
 Safe operation_____	19
 Environment_____	21
 Climate change_____	23
 Innovation and technology_____	26

## 3 Process of updating the Plan\_\_\_\_\_27

### 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.

© REPSOL, SA 2019: All rights reserved. This document is the exclusive property of REPSOL, S.A. and their total or partial reproduction is allowed only for non-commercial distribution.

# 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

# 1 Our vision of sustainability

## Canada Business Unit



**Repsol Canada** is part of the Repsol Group, an energy company that is present throughout the entire oil and gas value chain in more than 50 countries. In Canada, Repsol is an oil and gas company with operated **upstream onshore** operations. Repsol's Canadian assets are focused around liquids and gas in the Greater Edson area of Alberta, conventional heavy oil in the Chauvin area of Alberta/Saskatchewan, and liquids rich gas in Alberta's Duvernay play.







At Repsol we support the United Nations' **2030 Agenda** for Sustainable Development and use the 17 Sustainable Development Goals (SDGs) as a reference when defining our priorities.

We have drawn up this **prioritization** in due consideration of the SDGs considered most relevant to the company and our stakeholders, concluding that our efforts must primarily focus on **SDG 7** (Affordable and clean energy), on **SDG 8** (Decent work and economic growth) and on **SDG 13** (Climate action), in view of our role in access to energy, contribution to social and economic development, and the fight against climate change.

And, secondly, on **SDG 6** (Clean water and sanitation), due to our commitment to the optimization of water management; on **SDG 9** (Industry innovation and infrastructure), in view of our support of innovation and technology; and on **SDG 12** (Responsible production and consumption), due to our focus on the Circular Economy.

For Repsol, the most efficient manner of contributing to the 2030 Agenda is by collaborating with other public and private institutions to exchange knowledge and technologies. Thus we feel it is essential to join forces in connection with **SDG 17** (Partnerships for the goals).



Moreover, our responsibility in the way we act and our global presence in some extremely diverse environments enable us to make a significant contribution to all the SDGs.



## 2019 Sustainability Plan

### Sustainable Development Goals



The **actions** of which this **Plan** is composed, defined in due consideration of the local context, help support **2030 Agenda** by addressing the following goals:



2019 Sustainability  
Plan  
Canada

/ 10 Actions



**Ethics and  
transparency**

**3 ACTIONS**



**People**

**3 ACTIONS**



**Safe  
operation**

**1 ACTION**



**Environment**

**1 ACTION**



**Climate  
change**

**1 ACTION**



**Innovation  
and technology**

**1 ACTION**

#### 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

Engage in responsible lobbying activities.

## DESCRIPTION

We will actively and transparently engage in responsible lobbying, acting in accordance to current law.

## INDICATOR

Conduct monthly monitoring and reporting of our Federal lobbying activities.

Conduct quarterly monitoring and reporting of our Provincial lobbying activities.

## WHAT HAVE WE ACHIEVED?



All monthly monitoring and reporting of our federal lobbying have been conducted on a monthly basis and all monitoring and reporting of our provincial lobbying activities have been conducted on a quarterly basis.

## CONTRIBUTION TO THE SDGs:





### ACTION

Obtain a favourable risk rating (lowrisk) by the tax administrations participating in the pilot programme of the International Compliance Assurance Programme (ICAP).

### DESCRIPTION

We will actively participate in the International Compliance Assurance Programme (ICAP) pilot program kick off meeting, and also attend a Repsol-specific ICAP meeting in Madrid. We will meet and conduct interviews with each of the respective country Tax administrations and respond to queries.

### INDICATOR

Receive letter from Tax Authorities indicating that we have been rated as low risk taxpayer in each of the jurisdictions involved in ICAP.

### WHAT HAVE WE ACHIEVED?



We have obtained a low risk rating for 2016 and 2017 taxation years from the tax administrations participating in the pilot program of the International Compliance Assurance Programme. The ICAP program was a pilot program instituted by six taxing authorities and it has now concluded.

### CONTRIBUTION TO THE SDGs:



## ACTION

Produce annual Community Report to stakeholders.

## DESCRIPTION

We will develop the 2019 Community Report to share information with our external stakeholders to promote Repsol Canada highlights for our core operating areas, safety and environment, social investment spend, local vendor spend, annual paid municipal taxes and royalties.

## INDICATOR

Produce report by second quarter of 2019 and distribute to all external stakeholders.

## WHAT HAVE WE ACHIEVED?



The planning of the 2019 Community Report has begun. Initial discussions around content and potential changes to format are underway. Early 2nd quarter 2020 is targeted for the estimated completion date. This timing is in line with publication timing of previous years.

## 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

Manage the social impact of our operations and grievance mechanisms through our Good Neighbour Program.

### DESCRIPTION

We will maintain the privilege of working and living in Stakeholders' communities by managing the impacts from our activities through our Good Neighbour Program. It establishes our commitments for managing the impact of our activities and operations relating to roads, traffic, noise, lease maintenance, dust and water management. It is how we ensure that our employees and contractors are working towards a common goal of being a responsible neighbour.

### INDICATOR

Address ninety-five (95) % of valid grievances relating to roads, traffic, noise, lease maintenance, dust and water within two (2) business days.

### WHAT HAVE WE ACHIEVED?



We have completed the action. We have not received any formal complaints through our Good Neighbour Program hotline number, two dust complaints were received and rectified with the targeted two business day period and we have not received any formal grievances in 2019.

### CONTRIBUTION TO THE SDGs:





### ACTION

Promote diversity and work-life balance in the workplace.

### DESCRIPTION

We will foster a work environment that honours diversity in the workplace. We will actively promote work-life balance (flexible work arrangement) for our employees.

### INDICATOR

Conduct our 2019 hiring practices in line with our employee diversity strategy. Review all work-from-home requests and approve those requests within reason or where a sufficient business case is provided and approved by the employees leader.

### WHAT HAVE WE ACHIEVED?



We have conducted all 2019 hiring practices in Canada in compliance with our employee diversity strategy. Repsol's teleworking program was opened up to employees and has proven successful with many employees opting to telework. This program continues to receive positive feedback from employees.

### CONTRIBUTION TO THE SDGs:



### ACTION

Strengthen and maintain positive relationships with our Indigenous communities.

### DESCRIPTION

Our public consultation and engagement efforts with our Indigenous communities will be meaningful and shall exceed minimum Government consultation requirements.

### INDICATOR

Engage with our Indigenous communities on a quarterly basis to identify and support social investment partnerships that bring benefit to the communities.

### WHAT HAVE WE ACHIEVED?



The action has been completed. Through our social investment program, we have supported a number of initiatives that included five cultural events with First Nations communities in Treaties 6, 7 and 8 and one cultural event with a Metis Non-Settlement community. We have also supported initiatives with four local First Nations schools in our Edson and South Duvernay operating areas and issued seventeen Indigenous Award scholarships to post-secondary students from across Alberta.

### 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

Lead continuous improvements in conducting our operations safely.

### DESCRIPTION

We will proactively enhance field safety performance through training, coaching and hazard identification. We will continue to provide SEFSAM training (Safety Excellence For Supervisors And Manager) and encourage safe workplace operations.

### INDICATOR

Maintain greater than 90% of Repsol leaders trained in SEFSAM principles.

Complete the Beyond SAFSAM safety coaching program for elected field staff by December 31, 2019.

### WHAT HAVE WE ACHIEVED?



The action has been completed. We have continued with this commitment in 2019 until the SEFSAM coaching program on November 1, 2019, that concluded a one year cycle. We have also maintained the 90% threshold of having Repsol leaders trained in SEFSAM principles.

### 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

Minimize the use of freshwater by new circular economy initiatives.

### DESCRIPTION

We will strive to reduce the use of freshwater by developing our flowback and produced water re-use strategy for South Duvernay under the 2018 – 2025 Company's Circular Economy Strategy.

### INDICATOR

Identify one water re-use opportunity by December 31, 2019.

### WHAT HAVE WE ACHIEVED?



We have completed the strategy for produced water and flowback for the Ferrier. Long term plan includes recycling flowback water once a steady development program is in place. We continue to investigate alternatives to freshwater. In 2019 we have identified one opportunity in Ferrier – the use of landfill leachate from a third party landfill for hydraulic fracturing. All licensing was completed, however logistical concerns unfortunately did not allow us to execute in the 2019.

### 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 measures for further reduction of greenhouse gas emissions by implementing a near zero emission skid pilot.

### DESCRIPTION

We will investigate field opportunities for greenhouse gas reduction. We will participate in a trial for a near zero emission wellhead separator package. We will do this by retrofitting existing pneumatic devices within a wellsite skid to electric and test the functionality of a methanol fuel cell to supplement solar power.

### INDICATOR

Complete baseline existing pneumatic device vent rates by May 31, 2019.

Retrofit two (2) sites by June 30, 2019.

Commission methanol fuel cell by September 30, 2019.

### WHAT HAVE WE ACHIEVED?



We have achieved indicator 1 by completing baseline existing pneumatic device vent rates before the deadline. We have investigated field opportunities but we were not able to retrofit 2 sites that would have seen us install the near zero emission wellhead separator package and this was due to capital restraints. The installation of the methanol fuel cell was part of the retrofitting of these sites so this was not completed either due to capital.

### CONTRIBUTION TO THE SDGs:





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

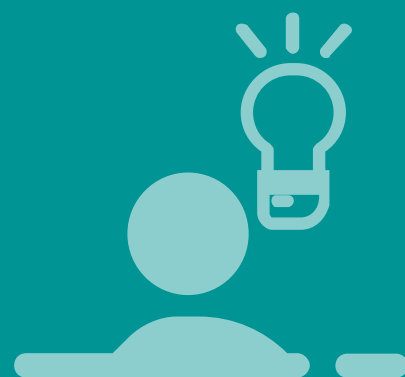
A sustainable future requires **companies that invest in science and technology** to meet the current and future energy challenges through real solutions. We believe in technological innovation as a way to build more efficient and environmentally sustainable energy systems.

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.

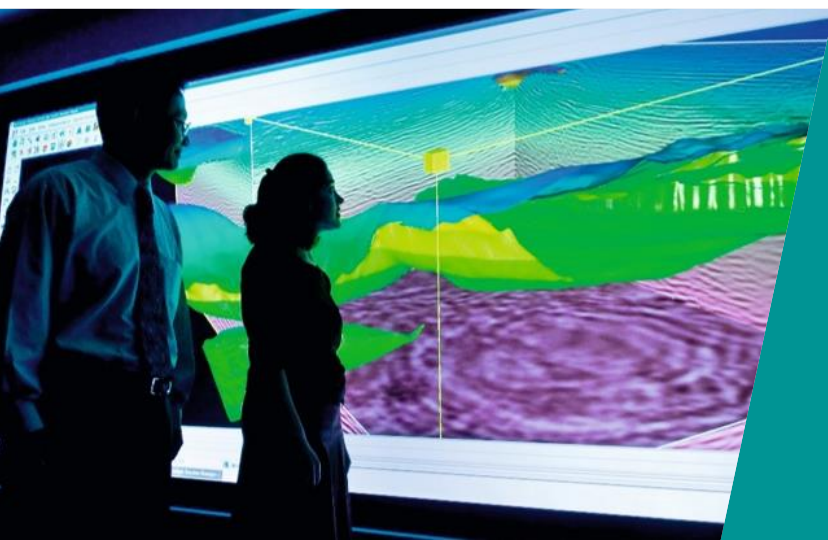
This Sustainability Plan includes a commitment to the following actions, in step with the lines of work that Repsol has set on this axis of sustainability.



Boost innovative activity

Use of new technologies

Promote training and facilitate the development of the environment



### ACTION

Drive continuous improvement in our field operations through our Field Operational Transformation Program (FOTP).

### DESCRIPTION

Through our Field Operational Transformation Program (FOTP) we will significantly transform the way we operate in Canada to drive resilient top-quartile performance through Field Automation and Centralized Operations & Maintenance. We will execute a program that will improve production efficiency, reduce costs and manage both personal safety and environmental risk. We will Implement Field Automation initiatives to drive process improvements by way of digitalization.

### INDICATOR

Collaborate during monthly well review meetings to identify potential production efficiency opportunities and implement opportunities as feasible.

Implement the EZMax application (Maximo Mobile) for operations and maintenance staff. EZMax is a tool to that will provide a solution for our operators and maintenance staff to access their assigned work from their mobile devices.

Complete worker competency evaluation and implement approved training programs by December 31, 2019.

Develop flow and pressure analytics for produced water injection pipelines in Chauvin to support leak detection by December 31, 2019.

Deliver additional workstreams as part of FOTP Initiatives Pipeline according to agreed timeline by end 2019.

### WHAT HAVE WE ACHIEVED?



Each of the indicators associated with this action have been successfully executed. We have implemented monthly training sessions on our Canada Business Unit standards. We have also developed a FOTP Well Site inspection checklist to ensure we have a standard well inspection approach in place for all Operations. In June of 2019 all Operators went from either being an Asset or Reliability Operators to being an operator that does both: checks wells and restores production.

### 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.



