



OVERVIEW

2019
SUSTAINABILITY
PLAN

Libya



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:

14 Actions / **57%** Fulfillment



Ethics and transparency : 3 ACTIONS



People : 6 ACTIONS



Safe operation : 3 ACTIONS



Climate change : 1 ACTION



Innovation and technology : 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.

At Repsol, we contribute to sustainable development...

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

Education in Ubari

Improving learning conditions in Ubari in support of our commitment to local development.

In the framework of the United Nations Development Programme (UNDP) implemented project, we have supported education through the installation of 20 new prefabricated classrooms in four schools in Ubari.

The new facilities are accommodating additional students and are also enabling them to study in improved conditions.





PRESENTATION

2019 SUSTAINABILITY PLAN

Libya



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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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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

The first exploration activities and production of hydrocarbons in Libya by Repsol date back to the early 70s with the participation of Hispanoil (the former name of Repsol) as a non-operating partner of Elf (then Aquitaine) in Block 105 (The Magid and Dor Mansur fields) located in the Sirte Basin.

The current activities of Repsol, carried out through its **subsidiary Repsol Exploration Murzuq S.A. (REMSA)**, that acts as the leader of the Second Party members in the contract block in which the other partners include OMV and Total, while the Libyan National Oil Corporation (NOC) acts as First Party, began in late 1994 after the signature of a contract with NOC to explore, develop and produce oil in the NC115 block located in the remote Murzuq region of the Sahara desert.

Further exploration activities carried out in this block resulted in additional discoveries and bringing the current producing fields to a total of 10 fields. The acquisition of block NC186 adjacent to block NC115 in May 1998 yielded additional important discoveries and since then seven fields have come into stream, with a net crude oil production for REMSA of 35.7 kbod.

The first and second parties designated Akakus Oil Operations (AOO, formerly Repsol Oil Operations) as operator of both development and production activities in blocks, NC115 and NC186 while REMSA is the exploration operator in both blocks.

Up until the turmoil starting in 2011, the success achieved by Repsol in projects and discoveries in Libya made Libya one of the most outstanding countries for the growth strategies of Repsol. The activities of Repsol and its European partners in the Murzuq area in association with NOC are strongly contributing to the development and consolidation of the current and future wealth of the country and constitute excellent examples of the firm and prolonged commitment to Libya.





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.

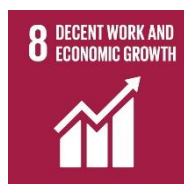
For Repsol, the most efficient manner of contributing to the 2030 Agenda is by collaborating with other public and private institutions to exchange knowledge and technologies. Thus we feel it is essential to join forces in connection with **SDG 17** (Partnerships for the goals).



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.



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
Libya

14 Actions

 Ethics and
transparency

3 ACTIONS

 People

6 ACTIONS

 Safe
operation

3 ACTIONS

 Climate
change

1 ACTION

 Innovation
and technology

1 ACTION

64% 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.

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

Continue reinforcing and promoting Repsol's high Ethics and Antibribery and Corruption (ABC) standards and requirements among local contractors.

DESCRIPTION

We will continue building the capacity in terms of compliance to cover all of the current contracted local suppliers, by providing a series of presentations on Repsol's Code of Ethics and Business conduct, Repsol's Antibribery and Corruption Policy and Integrity Due Diligence.

INDICATOR

Awareness on Repsol's standards related to Ethics and Transparency to cover 100% of current contracted local suppliers. Hold two additional joint seminars with HSE addressed to contractors.

WHAT HAVE WE ACHIEVED?



Integrity being one of the core values of the Company, we have ensured that all our Business Unit staff went through the online training on Code of Ethics. Due to the instability in the country, only one presentation on Repsol ABC requirements and standards could be held in July 2019 to transmit to local contractors the expectations of REMSA Business Unit in terms of contracting, HSE and ABC company standards.

CONTRIBUTION TO THE SDGs:



ACTION

Improve and raise awareness of cost controllers and managers on REMSA (Repsol Exploracion Murzuq S.A) purchase and contracting processes.

DESCRIPTION

We will continue building the capacity in terms of compliance to cover all cost controllers and managers by providing a series of presentations on Repsol's Procurement & Contracts processes.

INDICATOR

Cover 100% of current REMSA cost controllers and managers in terms of Repsol's Procurement & Contract processes and standards by holding one workshop jointly with HSE.

WHAT HAVE WE ACHIEVED?



As part of good governance practices in support to our commitment to ethics and transparency, we have held jointly with our HSE (Health, Safety and Environment) team, a workshop addressed to REMSA cost controllers and managers on REMSA requirements in terms of Repsol's Procurement & Contract processes and standards within Exploration and Production.

CONTRIBUTION TO THE SDGs:



ACTION

Promote culture of sustainability celebrating the Sustainability Day.

DESCRIPTION

Organize with BU (Business Unit) and Akakus Oil Operations (AOO) employees a Sustainability Day in order to share the work done, experiences, and presentations on United Nations (UN) Guiding Principles on Business and Human Rights and Community Relations.

INDICATOR

Celebration of the Sustainability day.

WHAT HAVE WE ACHIEVED?



We have cancelled this action due to the security conditions of the country.

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

Build the capacity of National stakeholders NOC and our operator, Akakus, on Social Performance.

DESCRIPTION

In coordination with IPIECA (The global oil and gas industry association for environmental and social issues) and the support of experts on Social Performance (SP), we will develop a training plan through several phases covering specific modules on: i.) community engagement, ii.) community grievance mechanisms iii.) social investment) and local content.

INDICATOR

Implement 90% of SP training planned for 2019

WHAT HAVE WE ACHIEVED?



In order to fulfill our commitment to build the capacity of our National Stakeholders, and in the framework of the agreed plan to transfer the Social Performance Role to the operator, we have developed a two phases training plan. The phase one training planned for 2019 provided with the basic concepts and standards on Social Performance, covering issues such as community relations, social investment and international standards on Voluntary Principles on Security.

CONTRIBUTION TO THE SDGs:



ACTION

Continue building trust and engaging with local communities through support to local development.

DESCRIPTION

In coordination with NOC (National Oil Corporation) and in close consultation with local authorities, we will implement, social investment initiatives in support of local development through basic service delivery.

INDICATOR

90% of social investment projects planned for 2019 implemented and activities delivered.

WHAT HAVE WE ACHIEVED?



In order to build trust and engage with local communities, acting as a responsible Company, we continued supporting local development, in coordination with the National Oil Corporation (NOC) and local stakeholders. We have implemented social investment initiatives focusing on the rehabilitation of basic social, economic and productive infrastructures for better service delivery in particular in the sectors of health, water access and energy.

CONTRIBUTION TO THE SDGs:



ACTION

Drive REMSA (Repsol Exploracion Murzuq S.A) staff capacity development through internal cross functional training.

DESCRIPTION

We will develop on-the-job cross functional training and engage staff by giving opportunities to cover positions within the different departments of the Business Unit (BU).

INDICATOR

Reach 50% of the targeted staff.

WHAT HAVE WE ACHIEVED?



In order to engage and enhance local content, we have strongly encouraged capacity development of national staff exposing employees to different working experience developing new skills. This was also part of the action plan in response to the 2018 Climate survey. To this end a plan was finalized consolidating information on the staff who were assigned to the different departments and 50% of the staff were involved in this initiative. .

CONTRIBUTION TO THE SDGs:



ACTION

Improve REMSA (Repsol Exploracion Murzuq S.A) staff capacity development.

DESCRIPTION

Each department will develop and implement specific training plans for its employees aiming at their capacity development.

INDICATOR

Develop 90% of the training plan implemented for 33 staff.

WHAT HAVE WE ACHIEVED?



In order to engage and enhance local content, and as part of the action plan in response to the 2018 Climate survey, we have strongly encouraged capacity development of national staff. A training plan was prepared consolidating training courses for staff under the different departments, uploaded in the system, and implemented by the departments' managers. Some training courses have been postponed due to the security conditions of the country.

CONTRIBUTION TO THE SDGs:



ACTION

Promote a work-life balance among our employees.

DESCRIPTION

We will raise the awareness, promote and facilitate the balance between personal and professional life and include specific mention on teleworking in a proposed procedure.

INDICATOR

Define a work-life balance program and present it to the leadership team with the specific measures to be taken.

WHAT HAVE WE ACHIEVED?



The work life balance program could not be implemented officially at this stage. However, we have adapted to the current situation of the country with a more flexible work life management whereby employees, in moments of conflict, are allowed to not commute to the office but log on and be connected from home..

CONTRIBUTION TO THE SDGs:



ACTION

Strengthen our commitment for human rights by applying the Voluntary Principles of Security and Human Rights (VPSHR) to Akakus Oil Operations (AOO).

DESCRIPTION

We will perform a risk assessment of the use of security forces on Human Rights for Akakus Oil Operations (AOO), following the methodology proposed by the Voluntary Principles of Security and Human Rights.

INDICATOR

Risk assessment study carried out.

WHAT HAVE WE ACHIEVED?



As part of REPSOL engagement to respect for Human Rights (labor rights and employment conditions, health, rights of vulnerable groups and others), REMSA Security Department prepared the risk assessment document draft; however, upon request from the operator, AOO, the execution was postponed to 2020.

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.

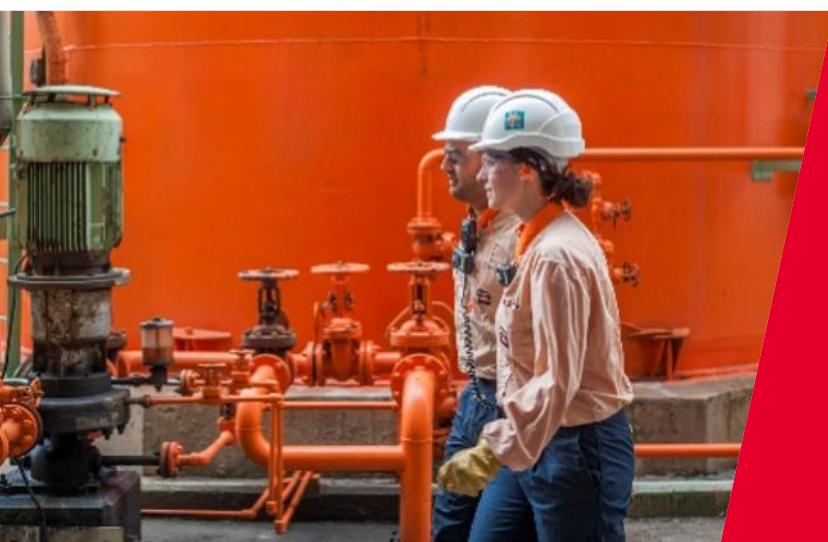


Prevention of personal, process,
and transportation accidents

Incident management

Emergency management

Safety in product use



ACTION

Drive continuous improvement in our safety performance.

DESCRIPTION

We will develop an HSE (Health, Safety and Environment) online induction course to assure the knowledge and awareness of employees and contractors.

INDICATOR

Implement the online course and cover 90% of the staff (employees and contractors).

WHAT HAVE WE ACHIEVED?



As part of our commitment to safe operations and prevention of personal, process and transportation accidents, our HSE team has developed and implemented an introductory course on HSE basic requirements and standards and ensured that all REMSA employees complete it online.

CONTRIBUTION TO THE SDGs:



ACTION

Raise safety awareness among employees.

DESCRIPTION

We will continue developing “safety pills” to arise HSE issues with all REMSA employees that will help in increasing the safety awareness and to keep employees on the loop of Repsol standards.

INDICATOR

Present bi-monthly safety pills.

WHAT HAVE WE ACHIEVED?



The action responds to the specific expectations of Repsol stakeholders fostering safety of its employees. We have conducted safety pills on health (first aid training) and environmental issues in REMSA BU (Repsol Exploracion Murzuq S.A.) offices during HSE meetings to raise awareness and foster safety amongst REMSA employees.

CONTRIBUTION TO THE SDGs:



ACTION

Reinforce and promote Repsol's high safety standards and requirements by raising awareness of local contractors and AOO (Akakus Oil Operations) and NOC (National Oil Company) employees.

DESCRIPTION

We will develop a training catalogue to be offered to contractors, AOO and NOC in order to share with them the best practices to be implemented.

INDICATOR

Training catalogue developed and submitted to Akakus and NOC.

WHAT HAVE WE ACHIEVED?



As part of our commitment with stakeholders and partners to drive safe operations as per international requirements and standards, and specifically on prevention of personal, process and transportation accidents, training catalogue material was prepared and communicated to NOC & AOO.

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.



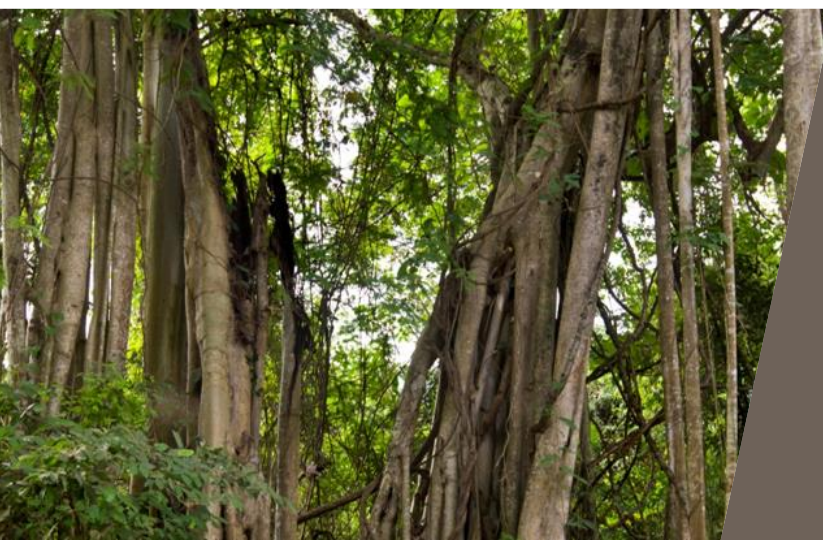
Efficient energy management

Drive the reduction of GHG emissions

Encourage the use of natural gas in electricity generation

Sustainable mobility

Low-emissions economy model



ACTION

Promote the identification of initiatives towards minimization of CO2 emissions.

DESCRIPTION

We will support AOO (Akakus Oil Operations) to identify and propose opportunities for minimizing CO2 GHG/CO2 eq emissions by analyzing current emissions sources.

INDICATOR

Report CO2eq emissions by the end of the year. List of potential CO2 eq emission reduction initiatives.

WHAT HAVE WE ACHIEVED?



We have engaged to the climate change through the reduction of GHG emissions which are reported by AOO on a quarterly basis. The proposal for a reduction plan requires gas analysis and hiring of a contractor to collect the samples on the ground from El-Sharara, which is not possible for the time being due to the security conditions of the country.

CONTRIBUTION TO THE SDGs:



At Repsol, we contribute to sustainable development...

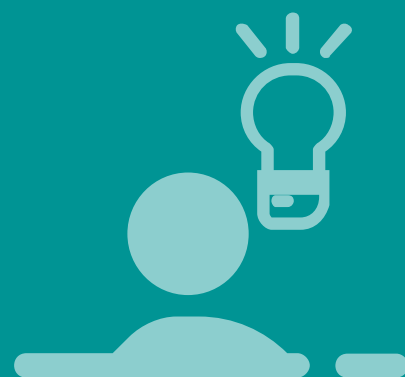
A sustainable future requires **companies that invest in science and technology** to meet the current and future energy challenges through real solutions. We believe in technological innovation as a way to build more efficient and environmentally sustainable energy systems.

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.

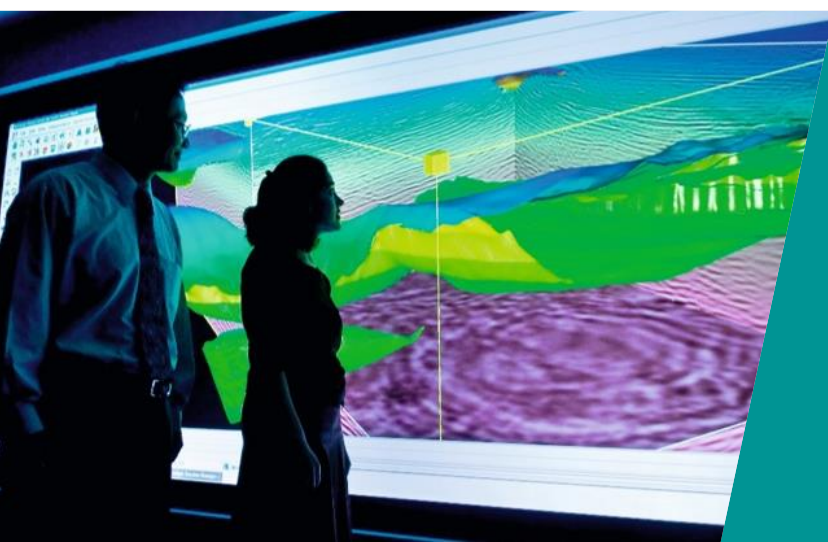
This Sustainability Plan includes a commitment to the following actions, in step with the lines of work that Repsol has set on this axis of sustainability.



Boost innovative activity

Use of new technologies

Promote training and facilitate
the development of the
environment



ACTION

Implement new technical software One Virtual Solution (OVS) to automatically and efficiently monitor production performance and issue reports.

DESCRIPTION

We will improve the online reporting and follow-up system as part of the Repsol digitalizing project.

INDICATOR

Planned 50% of the project implemented in the department.

WHAT HAVE WE ACHIEVED?



As part of our commitment to innovation and technology and the use of new technologies, we have implemented phase one of the OVS project in AOO. REMSA OVS project was put on hold due to cost.

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.

