



OVERVIEW

2019 SUSTAINABILITY PLAN

Norway



Photo: Bitmap/Dag Myrestrand

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:

15 Actions / 93% Fulfillment



People



3 ACTIONS



Safe operation



3 ACTIONS



Environment



2 ACTIONS



Climate change



4 ACTIONS



Innovation and
technology



3 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.

Repsol's strategy in Norway is to steadily increase our value and resilience, lowering the carbon footprint and always staying safe. Our ambition is to become a zero-emission operator on the Norwegian Continental Shelf by 2030.

Re-use of offshore drill pipes

We achieve huge environmental and economical benefits by re-using offshore drill pipes from the Gyda field instead of sending them for re-melting.

During the project period (2019+2020) we will avoid emissions of more than 10 000 tonnes of CO₂, by avoiding production of new pipes and re-melting of old pipes, and increase income with more than 0,9 mill. EUR.



Young in the «Big Picture»

One of our Young Professionals has been a representative in the Norwegian Oil and Gas Association project "The Big Picture".

30 young people talking with other young people with the intention to create a more nuanced debate about the oil and gas industry in Norway, and facilitate a good dialogue that can lead to good sustainable solutions for the future.



Fuel reduction incentives

We have implemented sustainability as a separate chapter/issue in all Supply Chain Management sourcing strategies and subsequent tender evaluations.

For all new tenders Repsol Norge now evaluates compensation formats which provide the right incentive for the contractor to reduce fuel usage in operations.





PRESENTATION

2019 SUSTAINABILITY PLAN

Norway



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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



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 Norway / 15 Actions



People

3 ACTIONS



Safe
operation

3 ACTIONS



Environment

2 ACTIONS



Climate
change

4 ACTIONS



Innovation
and technology

3 ACTIONS

93% 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...

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

Ensure future competence for the industry and Repsol Norge.

DESCRIPTION

We will actively engage with the local schools and universities to ensure our industry continuous to be attractive as a future employer by:

- 1) Intake of summer interns to give students an opportunity to get relevant job training.
- 2) Engage graduates to give young professionals a thorough and broad introduction to our company.
- 3) Engage and support in the Norwegian Oil & Gas Association effort to ensure future competence.

INDICATOR

Engage at least ten summer internships and four local young professionals to the Repsol Norway organization.

Participate in meetings and promote one young professional to represent Repsol in the Norwegian Oil & Gas Association.

WHAT HAVE WE ACHIEVED?



In 2019 we have engaged 18 summer students. The engagement has given students an introduction to how our industry works, both onshore and offshore. We have employed two new young professionals who attend the Repsol E&P Master Program in Madrid in 2019/2020 and engaged two young professionals for a fixed term period to expose them to our business activities. Moreover, one of our Young Professionals has been a representative in the Norwegian Oil and Gas Association in 2019.

CONTRIBUTION TO THE SDGs:



ACTION

Provide social aid to those less favourable.

DESCRIPTION

We will sponsor and support organizations in their work for those who need it the most:

- Sponsor the Church City Mission financially and arrange an event for them.
- Participate in Repsol Global Voluntary Day.
- Sponsor different Cancer Associations financially.
- Sponsor "Varmestuens Venner" financially- a foundation supporting substance abusers.

INDICATOR

Support financially the organisations identified.

Arrange the two events identified.

WHAT HAVE WE ACHIEVED?



We have done the social payments according to agreements and budget 2019. We have successfully arranged the Church City Event in January 2019 and Repsol Norge has participated in the Repsol Global Voluntary Days in October.

CONTRIBUTION TO THE SDGs:



ACTION

Reinforce diversity in the Norwegian Repsol organization.

DESCRIPTION

We will utilize and reinforce our work to strengthen the diversity of our organization by arranging quarterly dialogue meetings with the different internal networks established.

INDICATOR

Arrange meetings every half year with the female, senior and youngster network.

WHAT HAVE WE ACHIEVED?



We have conducted networks meetings according to our plan and strategy for diversity. Our Managing Director has also initiated a new network for Expats, holding the first meeting in September 2019.

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.

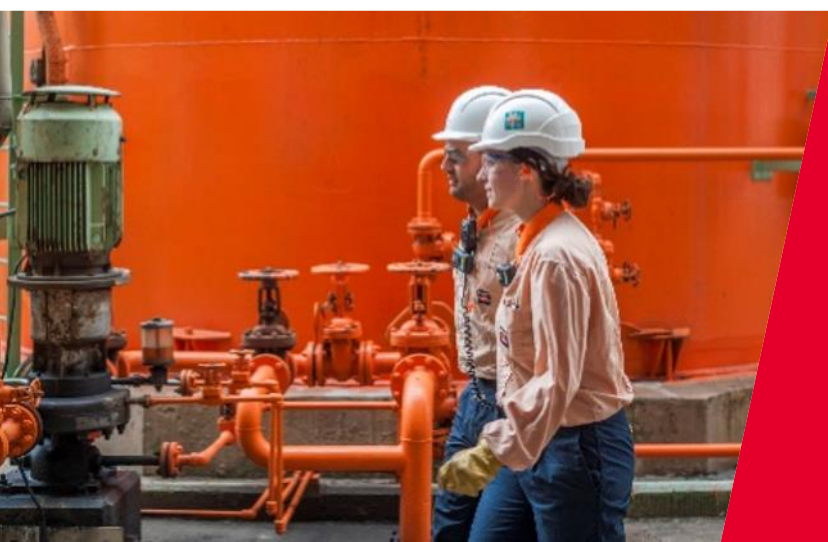


Prevention of personal, process,
and transportation accidents

Incident Management

Emergency management

Safety in product use



ACTION

Guarantee the integrity of our facilities by improving barrier management systems.

DESCRIPTION

We will implement actions from barrier management gap assessment performed for all operated fields in production.

INDICATOR

Improve barrier management systems for all operated fields in production according to defined action plans.

WHAT HAVE WE ACHIEVED?



We have upgraded the Gyda Barrier system interphase. A new procedure for barrier management in operations has been established. Scanpower has been engaged to establish the Barrier system for Rev/Blane and barrier strategies for these fields have been delivered. Also outstanding actions from last years Hazard Management gap analysis have been completed and documented in an updated local Hazard Management procedure.

CONTRIBUTION TO THE SDGs:



ACTION

Roll out and Implement the new Norwegian Operator Cooperation for HSE (Health, Environment and Safety) initiative for improving cooperation between participating operator companies in Norway.

DESCRIPTION

The new initiative consist of sharing and cooperating one selected HSE area for each quarter of the year (Prevent Major Accidents&leaks, Avoid Personal Injuries, Working at Height/Prevent Falling Objects and Health&Working Environment). The selected HSE areas will be the same for each participating company. We will adopt and implement this new initiative in our operations.

INDICATOR

Establish an internal working methodology.

Plan and roll out all 4 quarterly HSE packages.

WHAT HAVE WE ACHIEVED?



We have rolled out the packages for the quarterly HSE themes and implemented a working methodology for proper follow-up. Methodology is short videos made to trigger emotions and reflections around the quarterly safety topic. The ambition is to have the same theme amongst all operators on Norwegian Continental Shelf and seeking continuous improvements in teams based on focus and self-reflection.

CONTRIBUTION TO THE SDGs:



ACTION

Roll out the Gyda Platform Culture Program.

DESCRIPTION

We will build a culture program with the objectives to:

- Build ONE team to ensure safe and efficient decommissioning operations.
- Build a common language and library of attitudes.
- Ensure alignment on key priorities.

INDICATOR

Complete 3 major culture sessions during 2019 first quarter, including a HSE culture survey.

Measure culture development during 2019 by a repeat HSE culture survey in the fall of 2019.

WHAT HAVE WE ACHIEVED?



We have successfully completed three major culture sessions and done the repeat Health, Safety and Environment culture survey as planned on Gyda. The sessions focused on developing a common safety culture based on a common goal, common values, and open reporting culture. The new survey indicated a good baseline culture, with opportunities for improvement related to reporting issues.

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

Define, quantify savings, and launch the implementation of two circular economy projects linked to environmental management in Norway Business Unit.

DESCRIPTION

We will raise the awareness and focus on Circular Economy within projects. The Health, Environment and Safety (HSE) advisors will have responsibility to ensure that relevant measures are being identified and evaluated.

INDICATOR

Define two projects, quantify savings and launch the implementation of both projects.

WHAT HAVE WE ACHIEVED?



We have implemented several measures for circular economy in 2019, and two projects have been identified: reuse of drill pipes from plugging and abandonment on Gyda wells and reuse of drill pipe end protectors.

CONTRIBUTION TO THE SDGs:



ACTION

Identify and commence the implementation of a method for calculation of environmental footprint to be used as part of decision making processes.

DESCRIPTION

We will identify a method for calculation of environmental footprint to be used as part of decision-making processes and define a pilot project for commencing calculations.

INDICATOR

Identify relevant methods for calculation of environmental footprint and select a preferred one to be used in a pilot project.

Define a pilot project to commence calculations of environmental footprint.

WHAT HAVE WE ACHIEVED?



We have identified two promising methods for the calculation of environmental footprint, which can be used as part of decision making processes. We plan to test both methods in the Vette field development project..

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.



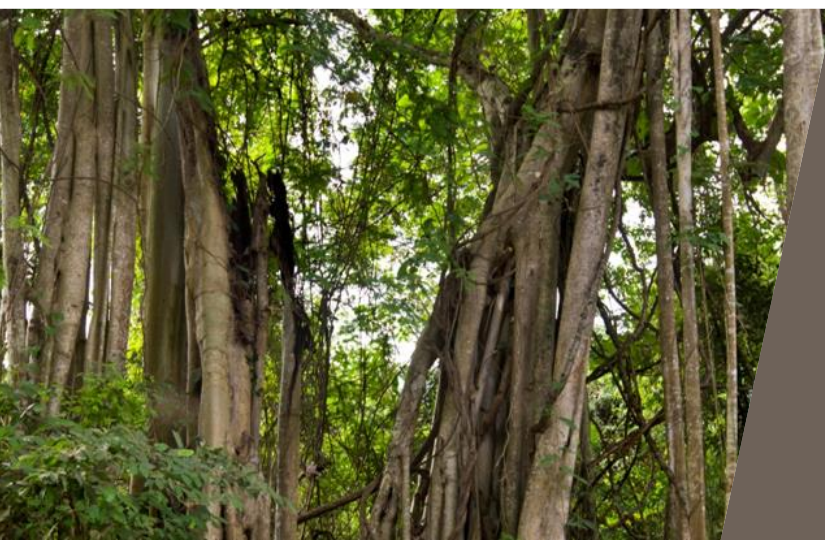
Efficient energy management

Drive the reduction of GHG emissions

Encourage the use of natural gas in electricity generation

Sustainable mobility

Low-emissions economy model



ACTION

Assess and evaluate revised compensation formats for fuel consumption and efficiency in contracts for drilling rigs and vessels.

DESCRIPTION

For all new tenders Repsol Norge will evaluate compensation formats, which provide the right incentive for the contractor to reduce fuel usage in operations.

INDICATOR

Demonstrate assessments done for each contract with resulting contractual compensation formats for fuel costs.

WHAT HAVE WE ACHIEVED?



We have implemented sustainability as a separate chapter/issue in all Supply Chain Management sourcing strategies and subsequent tender evaluations. Fuel consumption is essential in this new chapter along with circular economy and utilization of global stock.

CONTRIBUTION TO THE SDGs:



ACTION

Continuously improve our performance on climate change within the organization.

DESCRIPTION

We will make our leaders better in communicating our global and local commitment and efforts with respect to the climate change, through training and by use of the new developed Climate Communication Package (a presentation developed in Q2 2019 to raise awareness around climate issue and our position on climate change).

INDICATOR

Introduce the Climate Communication Package for the Norway Leadership Team and the Extended Leadership Team.

Present the package content to all employees at a townhall.

WHAT HAVE WE ACHIEVED?



We have completed the Climate Communication Package and held presentations for the Norway Leadership Team, the Extended Leadership Team and for all employees in a townhall. In addition we have published an article on Repsol Norge's intranet related to our commitment and the need for an energy transition.

CONTRIBUTION TO THE SDGs:



ACTION

Further increase our focus on Energy Management.

DESCRIPTION

We will strengthen our focus on Energy Management by following the standard of international Organization for Standardization ISO 50001 on Energy Management to achieve continual improvement of energy performance.

INDICATOR

Establish a new Energy Management procedure.

Publish four news articles on Repsol Norge's intranet.

WHAT HAVE WE ACHIEVED?



We have published a new procedure for Energy Management and published four articles related to energy on Repsol Norge's intranet. We have covered topics related to our industry's challenges and opportunities in a sustainable world, Repsol Norge's engagement and sponsoring of the new Low Emission Centre in Trondheim and also provided employees with facts related to our company's commitments and solutions to the climate change challenge.

CONTRIBUTION TO THE SDGs:



ACTION

Implement Greenhouse Gas (GHG) reduction measures in Repsol Norge's assets and projects as identifies in workshop 2018.

DESCRIPTION

We will follow up the ideas raised in the 2018 GHG reduction workshop. Focus will be on ideas, which through project work can lead to substantial GHG reductions, and on ideas, which directly can be implemented in our business.

INDICATOR

Mature three ideas by end of 2019 for subsequent implementation on 2020.

WHAT HAVE WE ACHIEVED?



We have matured three ideas raised in the Greenhouse Gas Reduction Workshop in 2018 which will be implemented in 2020. All ideas are related to energy management. We will implement and ensure compliance with the new procedure for energy management, perform energy mapping for Yme and develop a digital energy dashboard for Yme.

CONTRIBUTION TO THE SDGs:



At Repsol, we contribute to sustainable development...

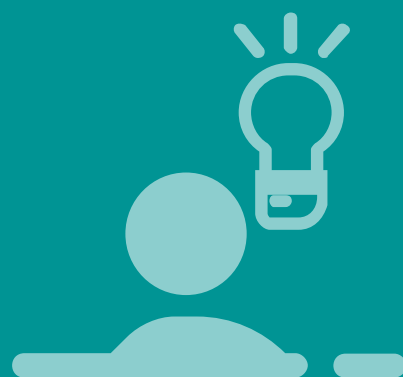
A sustainable future requires **companies that invest in science and technology** to meet the current and future energy challenges through real solutions. We believe in technological innovation as a way to build more efficient and environmentally sustainable energy systems.

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.

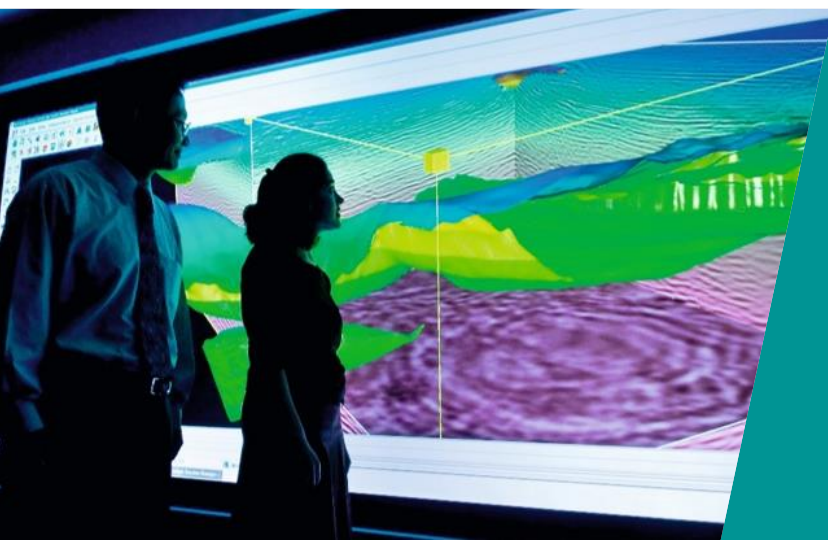
This Sustainability Plan includes a commitment to the following actions, in step with the lines of work that Repsol has set on this axis of sustainability.



Boost innovative activity

Use of new technologies

Promote training and facilitate
the development of the
environment



ACTION

Continue with the development of the Digital Twin virtual model for the Yme field.

DESCRIPTION

We will build a 3D model for facilities and subsurface including information management to operate efficiently in both offshore and onshore teams.

INDICATOR

Build a 3D model for facilities and subsurface at the Yme field.

Create access to technical document system and maintenance system from the 3D model.

WHAT HAVE WE ACHIEVED?



We have uploaded the Digital Twin 3D model and installed it in the Integrated Control Center for Yme. We have also made the Technical documentation available from the 3D model together with the maintenance system information.

CONTRIBUTION TO THE SDGs:



ACTION

Develop Automated Safety Instrumented Systems by sponsoring the development of new technology at Sintef research centre.

DESCRIPTION

We will sponsor the development of new technology for automated safety instrumented systems during design and operation. The end result should be new standards for reporting and classification of safety critical failures (2019), specification for implementation of machine learning methods for classification of failures (2020), standards for operating (2020), testing and QA (2021 and 2022).

INDICATOR

Facilitate the establishment of a guideline for standardized reporting and classification of safety critical faults in automated safety systems.

WHAT HAVE WE ACHIEVED?



The “Guideline for classification of standardized reporting and classification of Safety Instrumented System faults” has been developed and issued by end of November 2019. With this initiative we explore the possibilities that technology offers us to improve our safety performance.

CONTRIBUTION TO THE SDGs:



ACTION

Promote technological innovation by sponsoring projects of automated drilling.

DESCRIPTION

We sponsor the automated drilling project at the IRIS research centre. The underlying idea of the project is to demonstrate a step change in drilling technology from the mainly mechanized process control used in the industry today to automated drilling process control and robotics.

INDICATOR

Facilitate a demonstration of an automated drilling control process involving open interfaces, a robotic drill floor system and the software DrillTronics.

WHAT HAVE WE ACHIEVED?



The project has experienced delays related to the software and robotic systems. The automated drilling test is now expected to take place in Q2 2020 at NORCE facilities in Stavanger.

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.

