



OVERVIEW

2019
SUSTAINABILITY
PLAN

Vietnam



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:

5 Actions / **100% Fulfillment**

	People	1 ACTION
	Safe operation	1 ACTION
	Environment	1 ACTION
	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.



PRESENTATION

2019
SUSTAINABILITY
PLAN

Vietnam



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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

2019 Sustainability Plan

Sustainable Development Goals



SUSTAINABLE DEVELOPMENT GOALS

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



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 Vietnam

5 Actions



People

1 ACTION



Safe
operation

1 ACTION



Environment

1 ACTION



Climate
change

1 ACTION



Innovation
and technology

1 ACTION

60% 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

Implement social programs and activities planned for 2019.

DESCRIPTION

We will carry out our social investment plan. We will focus on strengthening knowledge and skills of our communities through our traffic safety program in primary / high schools and universities and our Brighter Path Project to support the ethnic girls in all provinces in Vietnam. Furthermore, we will meet immediate needs of the community with initiatives as Operation Smile Mission, to provide free treatment for children with facial deformity.

INDICATOR

Implement the planned programs and activities.

WHAT HAVE WE ACHIEVED?



We have succeeded on the social investment plan implementation. A traffic safety program was introduced to five local schools, the multi-year Brighter Path Project was continued to support about 50 local ethnic girls and we delivered the program Operation Smile Mission that provides free treatment for 80 children with facial deformity. Additionally, we funded a local H2H Project, Charity Bike Ride for Vietnamese children, and launched the program Let's protect our environment with Repsol.

CONTRIBUTION TO THE SDGs:



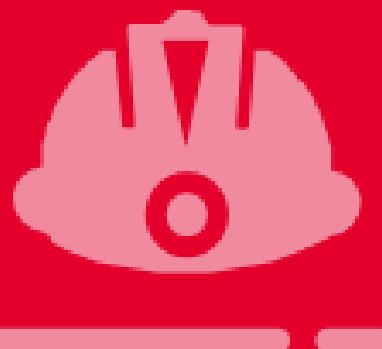
At Repsol, we contribute to sustainable development...

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

Continue fostering safety in our non-operated Thang Long Joint Operating Company (TL JOC).

DESCRIPTION

As a responsible partner, we will introduce HSE (Health, Safety and Environment) components of Repsol Operating Model for Non-operated and Co-operated Assets to support continued enhancement of safety and environment in TL JOC. This action contemplates a combination of peer review of safety risks and mitigation measures, improvement in safety and environment reporting capability, and sharing of relevant lessons learnt between Repsol and the TL JOC for continuous improvement.

INDICATOR

Establish an action plan for implementing a set of HSE requirements for TL JOC according to Repsol Operating Model for Non-operated and Co-operated Assets.

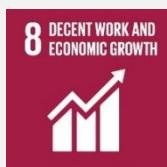
Complete activities of the established action plan in 2019.

WHAT HAVE WE ACHIEVED?



We have successfully introduced HSE components of Repsol Operating Model for Non-operated and Co-operated Assets to support continued enhancement of HSE in TLJOC. An action plan was established in 2019 and completed with reviews of TLJOC risk register and mitigation plans, improvement of HSE reporting capability, and two-way lessons learnt communication.

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

Improve reporting and communication on environmental liabilities.

DESCRIPTION

As part of Repsol Operating Model for Non-operated and Co-operated Assets to be introduced into Thang Long JOC (non-operated production asset), reporting and communication of environmental liabilities will be a focus in 2019 to improve environmental risk management. This action involves collecting and evaluating information related to environmental liabilities, and regularly reporting to Repsol for consideration in decision making and business evaluation.

INDICATOR

Deliver review of Thang Long JOC's possible environmental liability and report in Repsol system.

WHAT HAVE WE ACHIEVED?



We have focused on reviewing and reporting Thang Long JOC (non-operated production asset) environmental liabilities. We have reviewed records of major past environmental discharge to identify potential cases of liability and categorized related information for further analysis. Also, we have collected financial obligations for field and facility abandonment for integrated business reports.

CONTRIBUTION TO THE SDGs:



At Repsol, we contribute to sustainable development...

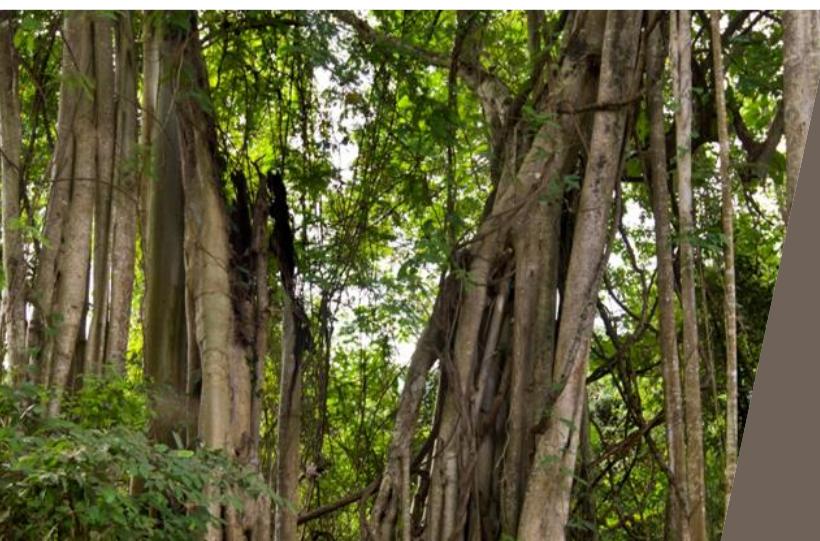
We share society's concern about the effect that human activity is having on the climate and we are firmly committed to the aspiration of limiting the increase in the planet's global average temperature well below 2°C with regard to pre-industrial levels.

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

Continue efforts to reduce greenhouse gas emissions from associated gas flaring.

DESCRIPTION

We will continue evaluation of technically feasible solutions to reduce natural gas flaring in our non-operated assets in TL JOC (Thang Long Joint Operating Company) oil production. This action includes determining the least flaring operational conditions to operate; controlling production/flaring rates against situations of underperforming processes and equipment; and re-designing associated gas handling system in a mid-term.

INDICATOR

Deliver technically feasible solutions to reduce gas flaring, including recommendations for Thang Long JOC's investment in re-staging / upgrading associated gas handing system.

WHAT HAVE WE ACHIEVED?



We have carried out various analyses to identify operational conditions that have the least flaring requirement and applied them as much as practical in day-to-day production process control. To address unnecessary gas flaring due to contractor's underperforming equipment, we have worked with partners to provide contractors with detailed technical recommendations for a major upgrade of the gas handling system. The upgraded system is being installed and will be operational by the middle of 2020.

CONTRIBUTION TO THE SDGs:



At Repsol, we contribute to sustainable development...

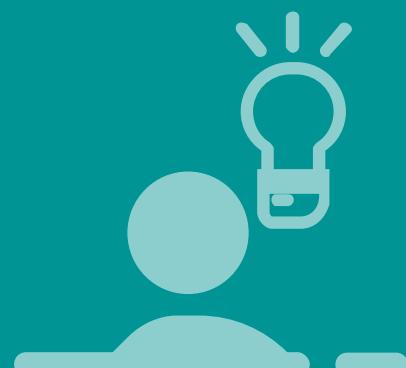
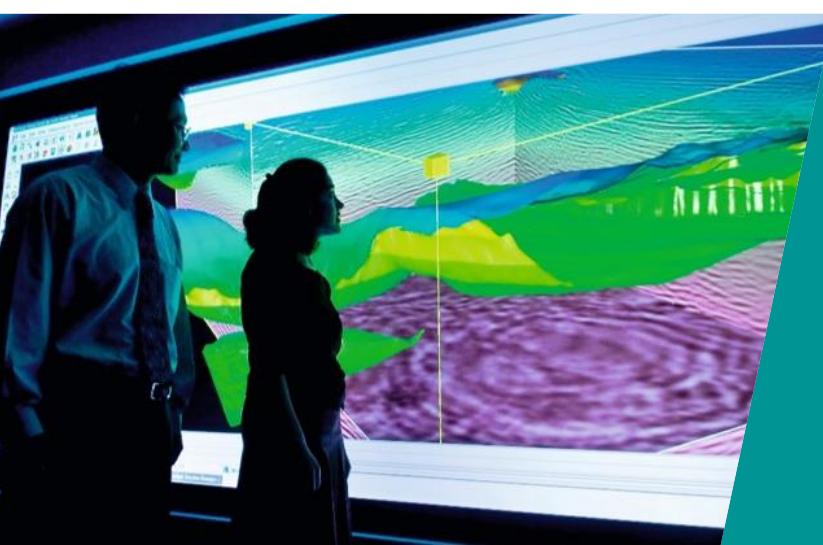
A sustainable future requires **companies that invest in science and technology** to meet the current and future energy challenges through real solutions. We believe in technological innovation as a way to build more efficient and environmentally sustainable energy systems.

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

Deploy Vietnam Business Unit's digitization programs / initiatives.

DESCRIPTION

We will evaluate and implement local digitalization initiatives to improve our efficiency and effectiveness in different areas of business. We will also continue promoting cultural change in digitalization / innovation through interactive workshops to further develop digital solutions across the Vietnam Business Unit.

INDICATOR

Deliver evaluation / implementation of registered digitalization initiatives.

WHAT HAVE WE ACHIEVED?



We have identified five solid local digitalization ideas in 2019. Initial results from implementation of these initiatives are promising, increasing our productivity and effectiveness in several areas of business, including safety and health management. In the meantime, we have promoted cultural change in innovation with a number of interactive workshops across the Vietnam Business Unit and in the non-operated asset Thang Long JOC.

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.





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