



Overview 2020 Sustainability Plan Canada



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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

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.



2 2020 Sustainability Plan

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 believe that we must focus on the SDGs in which we can maximize our impact. Thus, regarding the company's strategic plan, the material issues and the local contribution in each of the Sustainability plans, the following SDGs have been selected:

Given our role in access to affordable energy, our contribution to social economic development and the fight against climate change, we have prioritized SDGs 7, 8 and 13.



We believe that the most efficient way of contributing to the 2030 Agenda is to collaborate with other entities



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Given our commitment to the optimization of water management, our support for Innovation and Technology, and our focus on the Circular Economy, we have prioritized SDGs 6, 9 and 12.

In 2020, we want to go one-step further in our commitment to sustainable development by publishing an Annual Report on our contribution to the SDGs for the first time.

We wish to make our contributions to the 2030 Agenda clear by publishing more than 30 indicators and commitments, painting a panorama of the efforts we make all around the Company, both locally and globally, to provide solutions to the social challenges we face.

We want to be agents of environmental and social change in the territories in which we operate. We have the resources, the ambition and, most importantly, the commitment we need. That is our ambition and the United Nations 2030 Sustainable Development Agenda shows us the way that we can make this happen.

2 2020 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:



2 2020 Sustainability Plan

Summary

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

19
Actions

74% Fulfillment
5% Ongoing



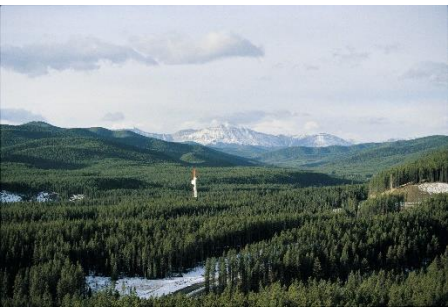
Further down, you can obtain more detailed information for each of the actions included in the plan, their indicators, and all other relevant information.

2 2020 Canada Sustainability Plan

Noteworthy projects

At Repsol, we contribute to sustainable development...

We are driving progress in society by creating value in a sustainable way.



Contribute to the Company’s pledge to achieve net zero emissions by 2050

In 2020, we set out to reduce our carbon dioxide equivalent (CO₂e) emissions by 10,000 tonnes. During the year, through various well site and facility modifications, we achieved this goal with a total emissions reduction of 10,019 tonnes of CO₂e.



Meaningful relationships with our Indigenous communities

In 2020, we carried out several activities to help strengthen our relationships with our Indigenous communities. This included helping our local Indigenous communities through COVID-19 relief efforts, supporting local Indigenous schools with the purchase of basic school supplies and carrying out our annual Indigenous Awards Scholarship Program, issuing scholarships to twelve (12) Indigenous students completing post-secondary education.



Ongoing commitment to safety...

In 2020, we supported Repsol’s Global E&P Safety & Environment relaunch of the campaign on Repsol’s 10 Basic Rules of Safety with all employees in Canada. We also developed and rolled out a safety calendar that included the 10 Basic Rules of Safety and many other additional potential hazards in the workplace.

2 2020 Sustainability Plan

Ethics and transparency



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. We want to be publicly recognized as an honest and transparent company in tax-related matters. Thus, **we are engaged in EITI** (Extractive Industries Transparency Initiative) with the aim of strength our cooperative relationships with the administrations.

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





Ethics and transparency

Action

Produce annual Stakeholder Report to stakeholders.

Description

We will develop the 2020 Stakeholder Report to share information with our external stakeholders to disclose Repsol Canada performance and highlights for our core operating areas, safety and environment, climate change, social performance, community and indigenous engagement, our employees, technology, governance, ethics and transparency.

Indicator

Produce report by second quarter of 2020 and distribute to all external stakeholders.

What we've achieved



We have finalized and published our Stakeholder Report in June 2020. The report was distributed to all key stakeholders in our core asset areas highlighting many of Repsol's successes in the Canadian Business Unit.

Contribution to the SDGs:





Ethics and transparency

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 we've achieved



We have completed monthly monitoring and reporting of our Federal lobbying activities.
We also have completed quarterly monitoring and reporting of our Provincial lobbying activities.

Contribution to the SDGs:



2 2020 Sustainability Plan



Ethics and transparency

Action

Conduct operations in accordance to our Code of Ethics.

Description

We will demonstrate our commitment to compliance by ensuring all staff in Canada complete the Code of Ethics corporate training.

Indicator

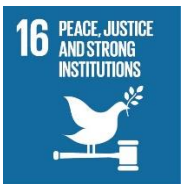
Complete the Code of Ethics training by December 31, 2020 for 100 percent of staff.

What we've achieved



We achieved a ninety-six percent (96%) completion rate in Canada.

Contribution to the SDGs:





Ethics and transparency

Action

Promote cooperative relationships with local tax authorities.

Description

Repsol will engage in proactive and meaningful communication with the Canadian Revenue Agency through regular and periodical meetings to conduct two-way dialogue on the Company's transactions.

Indicator

Work to continue to be considered a "Low Risk" taxpayer.

What we've achieved



We have continued to promote a cooperative relationship with the taxing authorities throughout the year. We participated in international cooperative programs. We continued to strengthen our relationship with Canada Revenue Agency by holding monthly meetings with the agency throughout 2020.

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.





People

Action

Promote employee diversity in the workplace.

Description

We will foster a work environment that honours diversity in the workplace. We will actively pursue focused training for all Repsol managers on unconscious bias to help leaders become aware of their biases and mitigate them accordingly in order to promote and encourage employee diversity in the workplace.

Indicator

Achieve ninety-five percent (95%) of executive leadership team and 70% of managers to complete training by December 31, 2020.

What we've achieved



We have completed the training as we have a 100% completion rate for Directors and 94% completion rate for Leaders and Area Leaders.

Contribution to the SDGs:





People

Action

Promote work-life balance in the workplace by increasing no. of employee teleworkers.

Description

We will continue to encourage a work environment that promotes work-life balance by proving flexible work arrangements for our staff.

Indicator

Achieve twenty-five percent (25%) increase in staff teleworking by December 31, 2020.

What we've achieved



The global pandemic lead to a shift resulting in all Canadian employees teleworking. At this time, we cannot determine the exact number of employees on a permanent teleworking program. However we are confident the interest in employees teleworking when the pandemic has ended will have increased by more than 25%.

Contribution to the SDGs:





People

Action

Promote gender equality in the workplace.

Description

We will demonstrate our commitment to gender equality by encouraging a work environment that promotes and supports gender equality through our external recruiting practices and by implementing new protocols.

Indicator

Achieve fifty percent (50%) of external hiring for new employees within the professional level will be female staff.

What we've achieved



This action was not complete. Unfortunately due to the pandemic our recruitment volume this year was very low. We had only an opportunity to recruit a small number of positions in the first quarter of the year and the volume of women hired was 25%.

Contribution to the SDGs:





People

Action

Manage the social impacts of our operations and grievances through our Good Neighbour Program.

Description

We will maintain the privilege of working and living in Stakeholders’ communities by anticipating and managing the impacts from our activities and potential concerns with a commitment to prevention and meaningful dialogue through our Good Neighbour Program.

Indicator

Address ninety-five percent (95%) of the grievances relating to our social impacts within two (2) business days.

What we've achieved



We have addressed one hundred percent (100%) of all grievances received through our Good Neighbour Program within two business days.

Contribution to the SDGs:





People

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. We will identify projects that contribute to bringing benefits to these communities.

Indicator

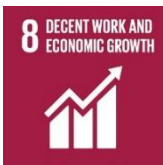
Engage with our Indigenous communities on a quarterly basis to provide annual development activity updates and identify and support social investment partner.

What we've achieved



We have identified social investment opportunities with our local indigenous communities that provided COVID-19 relief. We have worked with local indigenous schools to solidify social investment opportunities to support indigenous students. We have completed our Indigenous Awards Scholarship Program and issued scholarships to 12 indigenous students completing post-secondary education. We have proudly supported a Youth Employment Program for Indigenous youth through the province of Alberta.

Contribution to the SDGs:





People

Action

Minimize potential social impacts and improve our social performance by supporting local communities near our operations through our Stakeholder Engagement Plan.

Description

We will demonstrate our commitment to meaningful engagement with local communities and continuous improvement of our social performance by mitigating our impacts and working to bring sustainable benefits to our communities. We will identify community-based projects to support that are aligned with Repsol's Social Investment strategy and framework.

Indicator

Align ninety percent (90%) of our social investment initiatives with the United Nation's 2030 Agenda for Sustainable Development Goals.

Align ninety percent (90%) of our social investment initiatives with our global Social Investment strategy.

What we've achieved



We have conducted engagement efforts with key stakeholders based on our annual development plans and we have successfully supported various social investment initiatives in our local operating areas that were aligned with both the United Nations 2030 Agenda on Sustainable Development Goals and our Global Social Investment Strategy.

Contribution to the SDGs:





People

Action

Support Voluntary Principles on Security and Human Rights throughout our operations.

Description

We will demonstrate our commitment of the Voluntary Principles on Security and Human Rights through training of field security personnel and monitoring external inquiries.

Indicator

Provide training to all field and office security staff by September 30, 2020.

Monitor our Voluntary Principles on Security and Human Rights inbox weekly for potential new inquiries and reply 100% of inquiries within five business days.

What we've achieved



We have completed the annual Voluntary Principles on Security and Human Rights training program in September 2020. Training was held virtually. All contracted field-based security operators and contracted office-based security operators received training for 100% compliance. Canada received no inquiries through our Voluntary Principles on Security and Human Rights email inbox.

Contribution to the SDGs:



2 2020 Sustainability Plan

Safe operation



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.





Safe operation

Action

Lead continuous improvements in conducting our operations safely.

Description

We will continue to strengthen the safety culture and skill set amongst our staff and demonstrate our commitment to safe operations by participating in Repsol's 2020 E&P global safety and environment training initiative. Key staff from each field office will be identified as trainers who will participate in the training initiative and extend all learnings to the respective teams and implement key learnings into the Canadian Business Unit and our operations.

Indicator

Attend at least five staff to the Occupational Safety (3-day course) and complete team training and implementation.

Attend at least five staff to the Process Safety/Hazard Management (5-day course) and complete team training and implementation.

Attend at least five staff to the Incident Investigation Methodology (3-day course) and complete team training and implementation.

What we've achieved



Due to the pandemic, most of the training courses could not be completed as the intention was for participants to attend in-person to training sessions. The Safety & Environment team was able to complete the Tripod Beta for incident investigations training.

Contribution to the SDGs:



2 2020 Sustainability Plan



Safe operation

Action

Engage in Repsol's Global E&P S&E's relaunch of the campaign on Repsol's Basic Rules of Safety.

Description

We will demonstrate our ongoing commitment to safety and safe operations by engaging all staff in the relaunch of the campaign on Repsol's Basic Rules of Safety.

Indicator

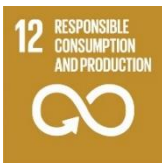
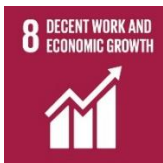
Communicate relaunch of Repsol's Basic Rules of Safety with all employees in the Canadian Business Unit by December 31, 2020.

What we've achieved



We have successfully relaunched Repsol's 10 Basic Rules of Safety with all employees in the Canadian Business Unit. In addition to completing the relaunch, we developed and rolled out a safety calendar that includes the basic safety rules and many other additional hazards based on local experience.

Contribution to the SDGs:



2 2020 Sustainability Plan

Environment



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.





Environment

Action

Contribute to the Company's goal to improve environmental management.

Description

We will evaluate the effectiveness of preventative and mitigative barriers in managing primary containment in order to identify opportunities to minimize potential impacts on the environment.

Indicator

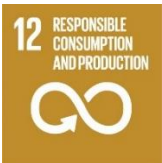
Develop Environment Risk Reduction Program by December 31st, 2020.

What we've achieved



We have developed a plan and framework to reduce Loss of Primary Containment (LOPC) incidents. The plan included observing sites where we have had past incidents, completing a risk review along with a map review of potential areas of impact. We then narrowed down the types of incidents to the ones that present the highest potential risk and developed a plan for 2021 to support the reduction of potential LOPC events.

Contribution to the SDGs:





Environment

Action

Promote the use of shared infrastructure amongst local operators.

Description

We will identify and evaluate opportunities for other operators to utilize our existing water infrastructure, in efforts to minimize new disturbance to the landscape that will contribute to mitigating the broader social impacts in our surrounding communities.

Indicator

Engage with local operators during bi-monthly operator’s group meeting to identify potential opportunities.

What we've achieved



We have conducted numerous engagement efforts with local operators to identify and execute on four opportunities for third-party shared infrastructure operations of Repsol’s existing infrastructure in the Duvernay asset.

Contribution to the SDGs:



2 2020 Sustainability Plan

Climate change



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.





Climate change

Action

Contribute to the Company's pledge to achieve net zero emissions by 2050.

Description

We will continue to contribute to the Company's objective to reduce carbon emissions through various initiatives. We will work to detect and quantify the methane emission sources at our operated assets, with the goal of identifying opportunities for reduction.

Indicator

Reduce 10 kilotonnes of carbon dioxide equivalent (CO₂e) emissions by December 31, 2020.

Expand methane emissions detection and quantification program and update methane emissions inventory by December 31, 2020.

Develop an Energy Management Plan 2021+ by December 31, 2020.

What we've achieved



We made wellsite controller and facility engine modifications throughout our assets resulting in a reduction of 10,019 tonnes of CO₂e. Conducted wellsite and facility site visits to complete surveys and screenings for leak detection and repair which helped to expand our methane emissions detection and quantification program. Developed framework for the Energy Management Plan to meet the goals of operational efficiency, emissions reductions and OPEX reduction, optimize our energy and GHG consumption.

Contribution to the SDGs:





Climate change

Action

Develop wellsite electrification program in South Duvernay to eliminate fuel gas emissions on our wellsite facility equipment.

Description

We will work to develop our wellsite electrification program by ensuring wellsites in Ferrier East development are designed under the new program.

Indicator

Design one hundred perfect (100%) of wellsites in Ferrier East development under the wellsite electrification program.

What we've achieved



This action was related to the new well sites that were planned as part of the Ferrier development project that has been put on hold until further notice.

Contribution to the SDGs:



2 2020 Sustainability Plan

Innovation and technology



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.



2 2020 Sustainability Plan



Innovation and technology

Action

Support global digitalization efforts through our electronic permit to work system.

Description

We will support global digitalization efforts through the implementation of an electronic permit to work system to reduce the use of paper.

Indicator

Implement Electronic Permit to Work system in the Canadian Business Unit by December 31, 2020.

What we've achieved



We have implemented the Electronic Permit to Work system at the Edson Gas Plant in 2020. We are currently reviewing implementation in the rest of the business unit in 2021.

Contribution to the SDGs:



2 2020 Sustainability Plan



Innovation and technology

Action

Automate Production Management.

Description

We will work to unify all digital information related to wells that come from many data sources and systems in order to integrate analysis to improve efficiencies and field optimization.

Indicator

Implement a Minimum Viable Product (MVP) to assess efficiencies of application by Chauvin Integrated Operating Centre (IOC) team and Production Engineer team.

What we've achieved



Due to commodity prices in the first quarter of 2020, operations in the Chauvin field were temporarily shut-in and this project was deferred. We are reevaluating for implementation in 2021.

Contribution to the SDGs:



3 Process of updating the Plan

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.



