



Overview 2020 Sustainability Plan Malaysia



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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.

 Ethics and Transparency We act responsibly and fully where we are present	 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

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.

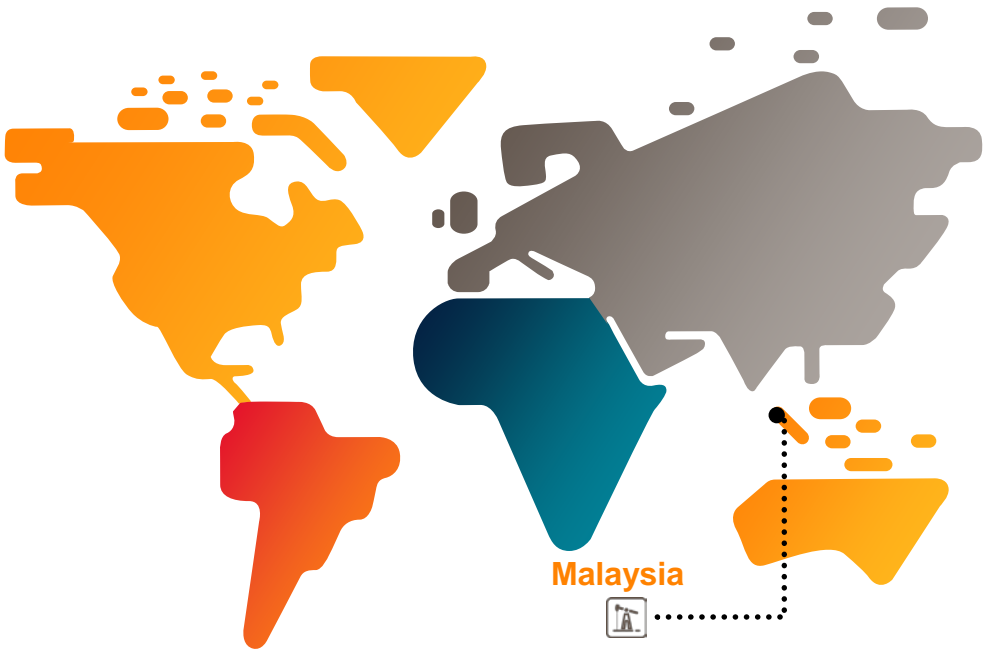
We want to be agents of environmental and social change in the territories in which we operate. We have the resources, the ambition and, most importantly, the commitment we need. That is our ambition and the United Nations 2030 Sustainable Development Agenda shows us the way that we can make this happen.

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

Overview: Noteworthy projects

At Repsol, we contribute to sustainable development

by being committed to actions that will help the company overcome their own challenges, while responding to the main expectations of our stakeholders. We put forth three projects worth mentioning for their impact to the communities or the business.

Thalassemia 'NowyouSEEme' campaign

The NowyouSEEme 2020/2021 campaign is a nationwide programme in collaboration with the Malaysia Ministry of Health and Ministry of Education. The objective is to create awareness on the disease amongst secondary school by tapping into students' creativity and storytelling skills to convey the message of Thalassemia. 50 participating schools in the states of Kelantan, Terengganu and Pahang are part of the programme.

An e-portal was design and built where students and general public can get info on how to support the Thalassemia initiative www.nowyouseeme.com.my. The larger goal is getting the community involved in the fight against the disease in order to make Malaysia a zero-Thalassemia nation by 2030 and also reduce new Thalassemia births by 95% by 2038.

Bakery skills as a home enterprise

Teaching bakery and pastry skills for home enterprise as a sustainable income was offered to six selected Thalassemia major patients. Repsol sponsors the training fees and purchases the training materials, the necessary equipment and first stock to enable them to kickstart their enterprise. In addition to the nitty-gritty of the practical training and skills acquisition, they were also taught basic book-keeping and marketing skills. Repsol will continue to monitor them for a year with advisory visits, counselling and motivational sessions, after which they will be assessed with the three top performers rewarded with cash prizes before they are finally on their own.

Drive GHG reduction initiative

A series of GHG reduction initiatives were implemented in year 2020 to achieve the GHG reduction target of 54 kt CO₂/annum. This is in line with Repsol commitments in moving towards a low-emissions future and achieve long term E&P reduction roadmap of 750 kt CO₂ for year 2018-2025.

GHG reduction achieved for each initiative was quantified monthly and uploaded to the SharePoint. The initiative was successfully verified by external auditor in December 2020.



2 2020 Sustainability Plan

Overview: 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:



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 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



2 2020 Sustainability Plan



Ethics and transparency

Action

Raise awareness on compliance matters within the employees of Malaysia Business Unit.

Description

We will carry out awareness and/or training sessions to employees on anti corruption and anti bribery, conflict of interest, due diligence and gifts and entertainment risks in the business.

Indicator

Conduct four anti corruption and anti bribery training sessions for the year.

Encourage all personnel to undertake microlearnings on conflict of interest, due diligence and gifts and entertainment issues available in our online platform.

What we've achieved



We have given a total of six training sessions to the Business Unit in year 2020. The conventional classroom training came to a temporary halt in March 2020 for safety reasons due to the Covid-19 pandemic, and we resumed training sessions via a virtual platform since September 2020.

Contribution to the SDGs:



2 2020 Sustainability Plan

People



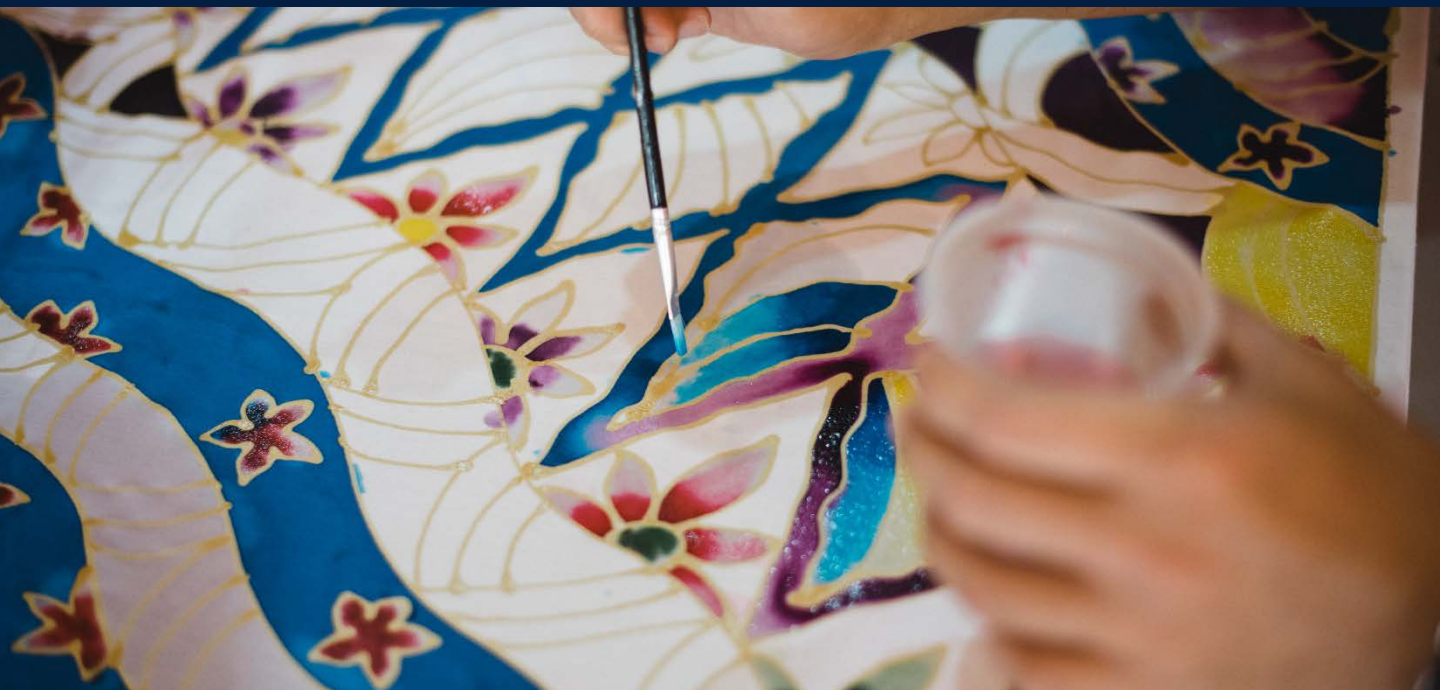
At Repsol, we contribute to sustainable development...

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.



2 2020 Sustainability Plan



People

Action

Encourage more female talents to pursue a career in the Business Unit.

Description

We will promote development and advancement of more female talents, especially in technical line.

Indicator

Achieve a 50-50 hiring ratio by December 2020.

What we've achieved



We achieved 44% hiring of female talents this year, instead of the 50-50 expected ratio, due to the challenges arising from the current pandemic situation.

Contribution to the SDGs:





People

Action

Roll out of teleworking program.

Description

We will promote teleworking as a work-life balance initiative and a deployment from the 2019 culture survey.

We will roll out teleworking to those employees that meet the criteria.

Indicator

Enroll 30 employees in the teleworking program.

What we've achieved



We were not able to complete this action as we went back to the Work from Home (WFH) arrangement due to the Conditional Movement Control Order (CMCO) effective October 2020 due to the pandemic.

Contribution to the SDGs:





People

Action

Promote educational excellence amongst children from disadvantaged groups.

Description

We will award scholarships to university students in collaboration with five Malaysia partner universities. In selecting the students, besides educational merits, their family background will also be given consideration in order to ensure the benefits goes to the most deserving candidates.

We will work with relevant local government agencies to recognize and reward primary and secondary school children from the fishermen community who display education potential.

Indicator

Award 20 scholarships by end of 2020, incorporating family income as part of the evaluation criteria.

Carry out two motivational award programs, one each in Labuan & Sabah.

What we've achieved



The scholarship award was delayed to 2021 due to Covid19 and its movement and gathering restrictions. Additionally, the students have been attending online classes and have not been back to the University campuses. However, the interview process is currently ongoing and targeted to be completed by February 2021.

Both Motivational Awards programs for Labuan and Sabah have been successfully completed in February and March 2020, respectively.

Contribution to the SDGs:



2 2020 Sustainability Plan



People

Action

Empower targeted communities through capacity building programs enabling them to generate sustainable income.

Description

We will work with selected NGOs in Terengganu & Sabah to develop ""capacity building"" programs that will enable selected communities or groups to generate sustainable alternative income. This is done through:

1. Edible garden project for targeted fishermen community.
2. Bakery training and marketing skills for selected Thalassemia patients.

Indicator

Launch two capacity building programs (one each in Terengganu & Sabah) in 2020 and monitor the programs for a period of one year.

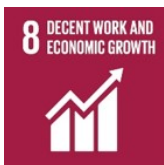
What we've achieved



The Edible Garden project has been deferred to 2021 due to the pandemic. It will be continued once the situation is back to normal tentative in March 2021 where the training for the participants can be organized and followed by the launch at the project site.

Bakery training for home based entrepreneur among the Thalassemia patients, which started in Jan 2020, has been completed.

Contribution to the SDGs:





People

Action

Disseminate the United Nations 2030 Agenda among our employees.

Description

We will make sure our employees know the 2030 Agenda and its 17 Sustainable Development Goals through a training course. We will highlight the role of the private sector and Repsol's challenges in maximizing its contribution.

Indicator

Train a minimum of 10% of employees.

What we've achieved



We have fulfilled this action, given more than 11% of Malaysian employees have completed the course. Consequently, now they are aware of the purpose of the 2030 Agenda, the challenges ahead, and the company's contribution.

Contribution to the SDGs:





People

Action

Raise awareness on Thalassemia to students from focus age group nationwide.

Description

As a continuation to previous collaboration with the MOH (Ministry of Health), we will collaborate further to include MOE (Ministry of Education) as our partner. The objective of this year's collaboration is to expand the awareness on Thalassemia by targeting the school students (target group) through an e-portal platform and associated activities.

Indicator

Create a digital platform (e-portal) accessible to students and general public to further enhance the awareness on Thalassemia by the second quarter.

Carry out a Thalassemia competition between secondary school children from 50 selected schools in Malaysia by the forth quarter.

What we've achieved



The program launch is scheduled on the 27th January 2021 via virtual platform by the Minister of Health, Deputy Minister of Education and Director of the Business Unit at Repsol. 50 high schools from three states (Pahang, Terengganu & Kelantan) have been selected to participate in the program. The closing of the program is scheduled in October 2021.

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.



2 2020 Sustainability Plan



Safe operation

Action

Participate in and sponsor the “Sahabat Maritim” industry collaboration programme to enhance safety and security of our offshore operations.

Description

We will collaborate with PETRONAS, Malaysia Marine Enforcement Agency (MMEA), Fisheries Department, National Fishermen’s Association and fisherman communities to enhance safety and security in our area of operation. The programme aims to promote safe fishing activities by addressing the dangers of fish bombing and fishing activities conducted within the 500-meter safety radius of our facilities.

Indicator

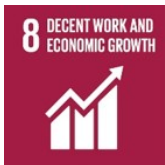
Carry out at least two awareness program for fishing community.

What we've achieved



The company's collaboration in the fishing community programme 'Program Sahabat Maritim', hosted by PETRONAS and the Malaysian Maritime Enforcement Agency (MMEA) for year 2020 has been deferred to 2021 due to COVID-19 pandemic-related circumstances.

Contribution to the SDGs:



2 2020 Sustainability Plan



Safe operation

Action

Raise awareness on personal safety through safety campaigns with primary school children.

Description

We will collaborate with the Department of Education, Police, Fire & Rescue Department and Malaysia Civil Defence Force to organise a Safety Day among schoolchildren to promote and nurture personal safety awareness. We will develop interactive activities and fun quiz for greater traction and focus.

Indicator

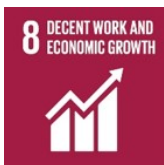
Carry out at least two safety campaigns for 1000 students.

What we've achieved



We have revised the program in Sabah to be organized via virtual platform. This was conducted in August 2020 for 15 schools in Tuaran, Sabah . The program in Terengganu will also be virtual and has been postponed to March 2021. 600 students, as ambassadors from 40 primary schools from eight districts in Teregganu, will be identified to participate in the program.

Contribution to the SDGs:



2 2020 Sustainability Plan



Safe operation

Action

Promote defensive driving among employees of the Business Unit.

Description

We will organize defensive driving program for employees to enhance on personal safety while driving cars and/or riding motorcycles.

Indicator

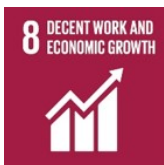
Conduct at least two sessions.

What we've achieved



The initiative has been cancelled as no face to face engagement is feasible to perform due to COVID-19 situations.

Contribution to the SDGs:





Safe operation

Action

Train our employees on the 10 Basic Safety Rules (BSR).

Description

We will make sure all our employees know the 10 Basic Safety Rules (BSR) by promoting usage of BSR Virtual Reality (VR) through Repsolnet platform.

Indicator

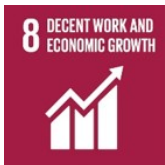
Reach a usage ratio of the 10 BSR VR of at least two persons per department.

What we've achieved



We have delayed the program to the last quarter of 2020 due to COVID19 pandemic. We have field tested the program with six personnel. However, the pandemic situation did not improve so we were unable to complete the program in 2020.

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.





Environment

Action

Promote utilisation of reusable containers for food by issuing "Repsol Lunch Box" to employees.

Description

We will provide a sustainable lunch box to all employees for daily usage in effort to support the 3R (Reduce, Reuse, Recycle) initiative.

Indicator

Provide one lunch box to each employee.

What we've achieved



Since employees have been working from home due to Covid19 pandemic, we have deferred the plan to 2021.

Contribution to the SDGs:





Environment

Action

Increase readiness for oil spill response.

Description

We will establish the scope of work and the required contract to engage a third party consultant for conducting the oil spill risk assessment.

Indicator

Establish the scope of work for oil spill risk assessment for one operating asset.

What we've achieved



We have established the scope of work and then completed the oil spill risk assessment for Kinabalu asset. The result will be referred for oil spill response planning.

Contribution to the SDGs:





Environment

Action

Assess the loss of primary containment (LOPC) scenarios that potentially impact the sensitive areas.

Description

We will establish a list of LOPC scenarios (>100barrels) that potentially impact the sensitive areas such as release from pipeline (incidental) and evaluate the effectiveness of barriers in place.

Indicator

Conduct an assessment on the LOPC scenarios (>100bbl) that potentially impact the sensitive receptors for one operating asset.

What we've achieved



We have completed the LOPC assessment for Kinabalu asset, with guidance from Repsol Corporate. We have made sure barriers are in place to prevent LOPC and the barriers efficiencies are being monitored.

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

Drive Greenhouse Gas reduction initiatives.

Description

We will implement a series of Greenhouse Gas (GHG) reduction initiatives which will be in line with Repsol commitments moving towards a low-emissions future. The objective is to achieve 54.000 tons of CO₂eq of quantifiable & verifiable GHG reduction in year 2020.

Indicator

Quantify monthly GHG reduction achieved on each initiative.

Verify GHG reduction by external auditor at the end of the year

What we've achieved



A series of GHG reduction initiatives were implemented in year 2020 to achieve the GHG reduction target of 54ktCO₂/annum. This is in line with Repsol commitments in moving towards a low-emissions future and achieve long term E&P reduction roadmap of 750ktCO₂ for year 2018-2025.

GHG reduction achieved for each initiative was quantified monthly and uploaded to the SharePoint. The initiative was successfully verified by external auditor in December 2020.

Contribution to the SDGs:



2 2020 Sustainability Plan

Innovation and technology



At Repsol, we contribute to sustainable development...

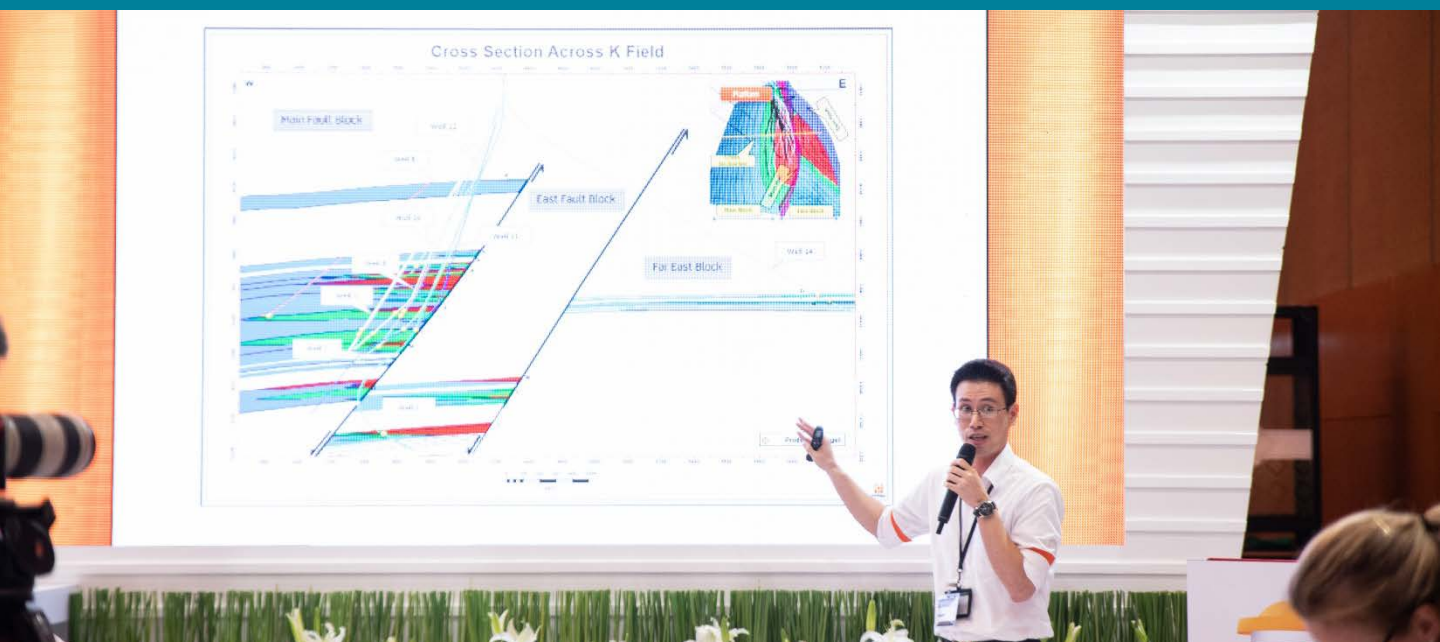
A sustainable future requires **companies that invest in science and technology** to meet the current and future energy challenges through real solutions. We believe in technological innovation as a way to build more efficient and environmentally sustainable energy systems.

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

Build and drive Integrated Operations Center (IOC).

Description

We will implement an Integrated Operations Center to promote a new way of working. By removing physical barriers, this will improve the collaboration between teams and subsequently enhance visibility of the team members. With real-time data, this will help to increased cross-discipline learning and enable proactive response when issues arise.

Indicator

Reduce in production deferment and higher uptime from the fourth quarter onwards.

What we've achieved



Due to a sustained period of not working in the office, the Integrated Operations Center was canceled. This initiative will be revisited again in 2021 but in a different context and focusing the processes involved in reducing the deferment.

Actual internal deferment results are PM3 Gas 4.1% vs target of 4.0%, PM3N Liquid 6% vs target of 3%, PM3S Liquid 4.6% vs target of 4% and Kinabalu Liquid 7.3% vs target of 1.7%.

Contribution to the SDGs:



2 2020 Sustainability Plan



Innovation and technology

Action

Foster innovation at universities through University R&D challenge Showcase.

Description

We will support the industry's initiative to enhance innovation & technology within tertiary students by collaborating and sponsoring University R&D Challenge & Showcase between regional universities during OTC (Offshore Technology Conference) Asia.

Indicator

Carry out the program before end of the year.

What we've achieved



The program was cancelled by the organizer due to Covid19 situation.

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.



