

Sustainability Plan 2017

Repsol Sinopec
Brasil



Contents

Our vision of sustainability and the preparation of this Plan	1
● Ethics and transparency	4
● People	5
● Safe operation	8
● Management of resources and impacts	12
● Climate change	14
● Innovation and technology	18
Process of updating the Plan	20

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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 and the preparation of this Plan

Sustainable development, currently framed by the United Nations in its 2030 Agenda and its 17 Global Goals, is a responsibility shared by political, social, and economic agents that requires decisive action.

At Repsol, we contribute to sustainable development by seeking to satisfy the growing demand for energy, which is necessary for the fulfillment of people's fundamental rights, and by creating value in both the short and long terms. We maximize positive impact and minimize 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 regulations in force but also with the main international standards.

Under these premises, the Company adopted a sustainability model in 2010, which includes ethical, environmental, and social considerations in our decision-making process, based on dialogue with stakeholders. We repeat this exercise every year, formally and systematically incorporating these concerns into our decision-making processes and translating them into public annual action plans: the Sustainability Plans.

Over the years, this valuable external learning process and internal cultural change has enabled us to evolve and strengthen our sustainability model, focusing on the most relevant matters. In turn, this has helped us to define our organization's path towards a more effective contribution to sustainable development.

As a reflection of this learning, the current model focuses on six priority axes that define long-term sustainability objectives and annual lines of action. These axes revolve around the following topics, which structure our Sustainability Plans.



Repsol Sinopec Brasil's 2017 Sustainability Plan includes 11 actions that respond to the expectations identified by the Company's stakeholders through a local study conducted in 2014. This study identifies and highlights safety and the environment, community development, and labor practices as the most important aspects connected to the operations of Repsol Sinopec Brasil.

Actions are framed within the axes of: Ethics and transparency, People, Safe operation, Management of resources and impacts, Climate change and Innovation and technology. The largest number of actions focus on the axis of Safe operation and Climate change (3 in each one).

82% of the actions included in this Plan are linked to the performance-based compensation system for people working at Repsol, which shows the Company's unequivocal commitment to maximizing our contribution to sustainable development.



The actions that make up this Plan help support the United Nations' 2030 Agenda for Sustainable Development by addressing the following Sustainable Development Goals (SDG):



SDG 4. Quality education. The contribution to this goal is focused on initiatives to ensure access to knowledge and skills for the population -youth and adults – and to contribute to improving their quality of life through education for sustainable technologies, citizenship and culture (target 7), as well as to provide inclusive and appropriate spaces for learning and sporting practice for disabled people (target 8).



SDG 5. Gender equality. This plan includes initiatives that promote gender equality, focused on ensuring women's reproductive rights (target 6).



SDG 7. Affordable and clean energy. This plan includes the initiative of contribution to the country's energy resources diversification project (target 1), as well as actions focused on the improvement of energy efficiency in our facilities (target 3).



SDG 8. Decent work and economic growth. This plan includes initiatives aimed at promoting the growth of small- and medium-sized enterprises (target 3), protecting labor rights and promoting safe and secure working environments (target 8), and ensuring decent working conditions for all (target 5).



SDG 9. Industry, innovation and infrastructure. This plan includes innovation and technology development projects focused on the safety of operations and energy diversification (target 5) and a more efficient use of energy in our offices (target 4).



SDG 12. Responsible consumption and production. This plan includes initiatives that focus on the adoption of sustainable practices (target 6) and on providing information and knowledge for sustainable development (target 8).



SDG 13. Climate action. The contribution to this goal takes the form of the collaboration in national strategies for energy diversification (target 2) and awareness-raising actions related to climate change mitigation (target 3).



SDG 14. Life below water. This plan contains initiatives to protect marine biodiversity and develop technologies for accident prevention in offshore operations (targets 1 and 2), develop scientific research on marine biodiversity (target 8), contribute to the conservation and creation of marine protected areas (target 5) as well as to provide access for small-scale artisanal fishers to marine resources and markets (target 9).



SDG 16. Peace, justice and strong institutions. This plan commits actions related to ethics, accountability and transparency (targets 5 and 6), ensuring responsive, inclusive and participatory decision-making (target 7), and respect for fundamental freedoms (target 10).



SDG 17. Partnership for alliances. This plan includes partnerships with public administrations and civil society as an instrument for the achievement of SDG's 4, 5, 7, 9, 13, and 14 (target 17).

Ethics and transparency

We act with integrity in all countries in which we are present. Our ethical conduct includes 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 for our suppliers, contractors, and business partners.

We also define transparency and accountability as differential elements in the Repsol sustainability model. To be credible, it is essential to be consistently transparent.

In this Sustainability Plan, we have committed to an action that will help the Company overcome the challenges we have set for ourselves in this area while responding to the main expectations of the stakeholders.

ACTION	Disseminate the Repsol Group's new Code of Ethics and Conduct.
DESCRIPTION	We will organize talks aimed at employees to disseminate the Repsol Group's Code of Ethics and Conduct and associated matters of interest such as the Clean Company Law and business ethics.
INDICATOR	At least two talks per year.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have organized two conferences for employees, one in Portuguese and the other in English, which were attended by a total of 87 people.

People

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 becoming a sustainable company. We have a team of diverse, experienced, and committed professionals. We are committed to equal opportunities, the integration of people with disabilities, multi-culturalism, a 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 with local communities, based on the principles of respect, cultural sensitivity, integrity, accountability, transparency, good faith, and non-discrimination. At Repsol, we work to build lasting relationships of trust with the different agents with whom we interact, especially the communities neighboring our operations.

At Repsol, we are committed to continuing to respect human rights, and this means preventing our activities from having negative consequences for the local people and, if such a thing does occur, doing everything possible to repair the damage done.

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

ACTION	Broaden the work-life balance measures by adopting the "Citizen Company Program," which extends maternity leave for female employees.
DESCRIPTION	We will implement the "Citizen Company Program" established in Law No. 11,770/2008 and regulated by Decree No. 7,052/2009 of the Brazilian Government and extend maternity leave by 60 days, in addition to the legally established 120 days, in order to contribute to the health and well-being of the mother and child.
INDICATOR	<ul style="list-style-type: none"> - Adherence to the program until the second half of 2017. - Application of the benefit to 100% of the women on maternity leave in the second half of 2017.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have joined the "Corporate Citizenship Program" and promoted it among all employees. However, its benefits haven't yet been confirmed because there were no employees pregnant or on maternity/paternity leave during the second half of 2017.

ACTION	Contribute to the local development of the communities in the area of our activities.
DESCRIPTION	<p>We will invest in and develop educational and cultural projects in order to contribute to the prosperity of communities in the surrounding areas of our activities.</p> <ol style="list-style-type: none"> 1. Educational Platform Project for the coastal communities of São Paulo. 2. <i>Orchestra de Camera de la Rocinha</i> (Rocinha Music School) and 3. Talent Detection Project (Superar Institute) in underserved communities of the city of Rio de Janeiro.
INDICATOR	<ul style="list-style-type: none"> - Project 1: Visit to at least five cities along the São Paulo coastline, with at least 60 people per city. - Project 2: At least 80 students per year enrolled in orchestra training courses on a full-time basis. - Project 3: Participation of at least 1,650 people and identification and development of at least six paralympic talents.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	<p>We have concluded the activities of the Educational Platform project in 5 cities (Canaanéia, Iguape, Peruíbe, Itanhaém, and Guarujá) and provided training to 4,484 people.</p> <p>Thanks to our support, the Rocinha Music School was able to retain 137 students in its Orchestra program, and the Superar Institute succeeded in improving the quality of life for 78 students, generating 6,600 indirect services and identifying 4 new high-performance Paralympic athletes.</p>

Safe operation

In pursuit of our goal of Zero Accidents, we demand a high level of safety in our processes and facilities, paying special attention to the protection of people and the environment around us.

It is necessary to pay attention to the safety of both people and our processes. We employ a set of forward-looking actions that help us to control risks and prevent large industrial accidents.

We apply stringent measures during the design and maintenance of our facilities. We carry out periodical risk analyses following best practices at the international level, manage our response to emergencies efficiently, and provide appropriate training to our employees, thus strengthening our excellent safety culture.

However, when we speak about safety, we do not limit ourselves to our facilities but also refer to raising awareness among the suppliers and contractors we do business with. The launch and dissemination of the 10 Basic safety rules throughout the entire organization, to both employees and contractors, seeks to ensure that our supply chain meets the required safety standards.

Every year, the Corporate Executive Committee approves the sustainability goals. Safety is included with a weight of between 10% and 20% and has a direct impact on employees with performance-based compensation.

Below, we list the actions that show our commitment to safety and bring us closer to reaching our goal of Zero Accidents.

ACTION	Deliver training on firefighting and fire prevention to employees.
DESCRIPTION	We will deliver annual training <i>Brigada Voluntaria de Combate a Incêndio</i> fire brigade employees and will offer training to all employees in firefighting basics, including topics such as the use of fire extinguishers, theory of fire, types of fires, prevention, firefighting methods, and firefighting equipment, in addition to building evacuation drills.
INDICATOR	<ul style="list-style-type: none"> - Delivery of two training sessions. - Deliver training to at least 50% of the employees. - Performance of two building evacuation drills and at least one emergency response drill.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	<p>In March and June 2017, we have held 2 training sessions that were attended by 89 employees, representing 66% of all personnel. The volunteer fire brigade (8 people) received 2 additional training sessions.</p> <p>We have also conducted a building evacuation drill, in which 109 people participated (78% of total personnel). Furthermore, we conducted an emergency response drill in December, with the participation of the Crisis Committee.</p>

ACTION	Foster a culture of safety by monitoring the management of non-operated assets.
DESCRIPTION	We will conduct health, safety and environment (HSE) audits in operational assets (FPSO Ciudad de São Paulo, FPSO P-50, FPSO Ciudad de Ilha Bela, FPSO Ciudad de Caraguatatuba, vessel Raquel Knutsen, and vessel Carmen Knutsen) where activities are carried out for Repsol Sinopec Brasil.
INDICATOR	Performance of at least one visit per asset with the manager or technical supervisor and a representative of the safety and environment (SE) area of Repsol Sinopec Brasil.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	In progress
CLOSING TEXT	We have conducted an HSE (Health, Safety and Environment) audit of the Carmen Knutsen crude oil tanker and three management visits to the City of São Paulo FPSO (floating production storage and offloading) offshore platform and to the Carmen Knutsen and Raquel Knutsen crude oil tankers. Additionally, we have visited the NS-38 Takatsugu J Drilling Rig and the Fendercare onshore base. Visits to the remaining non-operated assets P-50 and City of Ilhabela FPSO are being scheduled for 2018.

ACTION	Foster a culture of safety through the dissemination of Repsol's best practices among our commercial relations.
DESCRIPTION	We will disseminate the Repsol Group's ten Basic safety rules to the employees of the research and development laboratories with which we are associated.
INDICATOR	Lectures in at least eight of the 15 associated laboratories.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have held 13 conferences at high-risk laboratories, in accordance with Repsol Norm 353 on Safety and Environment Risk Management, which identifies and assesses risks to the safety of the people, the environment, and the Company's assets and reputation.

Management of resources and impacts

At Repsol, we share society's concern regarding the need to care for the environment in which we live. We seek to minimize the impact of our operations through adopting a low-emissions strategy, optimizing water management, reducing the contaminant load of spills, managing waste appropriately, improving spill prevention and response systems, and considering biodiversity a key component.

We've taken on the commitment to using the resources involved in our operations efficiently and in a more circular fashion. In 2016, Repsol set a new challenge: to seek opportunities in the Circular Economy that promote the sharing economy and represent an alternative to the linear economy of extracting, using, and throwing away.

This Sustainability Plan includes commitments to an action in line with the lines of work that Repsol has set on this axis of sustainability.

ACTION	Support actions for the protection and preservation of marine biodiversity.
DESCRIPTION	<p>We will support projects and institutions that work towards the recovery, protection, and preservation of marine life through research, education, and cultural action.</p> <ol style="list-style-type: none"> 1. AquaRio - Sponsorship of the sea aquarium of Rio de Janeiro, including scientific research. 2. <i>Costa Atlântica</i> Program - Development of 10 projects approved in the public notice for Municipal Conservation Units launched in 2016 by the SOS Mata Atlântica Foundation.
INDICATOR	<ul style="list-style-type: none"> - Project 1: a) At least 1,000,000 participants in environmental education activities; b) Initiate at least four new scientific collaborations with local universities before December 2017. - Project 2: Completion of at least 80% of the 10 approved projects.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	<p>In 2017, thanks to our support, 1.4 million people have visited AquaRio and 15 new scientific studies were launched in partnership with 5 local universities: Federal University of Rio de Janeiro (UFRJ), Rio de Janeiro State University (UERJ), Fluminense Federal University (UFF), Santa Úrsula University (USU), and Catholic University of Brasília (UCB).</p> <p>Similarly, the Atlantic Coast program has successfully concluded 9 of the 10 projects aided by the program along the Brazilian coast.</p>

Climate change

Repsol shares the concern regarding the effect of human activities on climate and the impact on global warming.

Our challenge is to supply safe, efficient, and accessible energy, reducing greenhouse gas (GHG) emissions from our facilities. To do so, we have made a commitment to use energy efficiently at our facilities and in our operations in order to preserve natural resources, reduce atmospheric emissions, and contribute to mitigating the effects of climate change. In this sense, we have implemented energy management systems according to the ISO-50001 standard at our facilities along with plans to reduce energy consumption and GHG emissions at the company level. In fact, with our current plan, we will achieve an annual reduction of 5 million metric tons of CO₂ by 2020, considering the reduction actions implemented since 2005. Energy efficiency is the main driving force behind these plans, supported by technology and innovation in our processes and operations.

We also work on solutions that enable society to enjoy a sustainable future with low GHG emissions. Even though all energy sources have their own importance in the energy mix, we promote natural gas as the most efficient solution to promote a structured transition to a low-emissions future, especially in electricity generation. Renewable energy sources will play an increasingly important role as their technological maturity enables them to become competitive. Likewise, in the medium-long term, carbon capture, use, and storage technologies will be crucial to achieving the goals of the Paris Agreement.

As proof of our commitment, Repsol has signed up for the Oil and Gas Climate Initiative (OGCI) in partnership with nine other companies in the Oil & Gas industry, with the goal of sharing best practices and technological solutions, as well as intensifying our investments in the fight against climate change. Thus, the OGCI Climate Investment fund was created, which will invest one billion dollars over the next 10 years to fund the development of technologies that can help to reduce GHG emissions.

Below, we list the actions in the Sustainability Plan related to this axis.

ACTION	Increase the comfort and improve the energy efficiency of the office.
DESCRIPTION	Improve aspects related to office lighting by replacing fluorescent lamps with LED-type lamps that consume less energy, produce less heat, and do not emit any ultraviolet and infrared radiation.
INDICATOR	<ul style="list-style-type: none"> - Replacement of at least 80% of the office lamps. - Reduction of 10% in total energy cost.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	In December, we have finalized the procedures required to replace all fluorescent light bulbs with LED lamps. Confirmation of the reduction in energy consumption compared to previous years will take place in 2018. It is estimated there will be savings of at least 10% compared to the use of fluorescent light bulbs.

ACTION	Have an influence on the responsible behavior and sustainable lifestyles for employees.
DESCRIPTION	We will contribute to the development of an internal culture of sustainability by promoting responsible behavior and lifestyles in harmony with nature through communication and training with our employees.
INDICATOR	<ul style="list-style-type: none"> - Develop an inventory of employees' CO₂ emissions and ecological footprints. - Performance of at least two educational actions per year aimed at employees pursuant to the priority areas identified in the emissions inventory.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	<p>During the week of the World Environment Day, we have conducted a communication campaign on the United Nations Environment Program (UNEP) topic "Connecting people to nature," inviting our employees to participate in an outdoor activity at Catacumba Park and to learn about their CO₂ emissions, which recorded an average of 5.7 metric tons per year per employee.</p> <p>As a form of symbolic compensation, we have planted 2,000 trees in association with the SOS Mata Atlântica Foundation.</p>

ACTION	Contribute to the strategic guidelines for the design of the new natural gas market in Brazil.
DESCRIPTION	We will contribute with our technical expertise and experience in the conversations for the development of the Gas to Grow project of the Brazilian government, which offers guidelines to drive the new gas market in Brazil.
INDICATOR	Participation in meetings with the responsible bodies.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	<p>We have participated in the public consultation for the “Gas to Grow” initiative promoted by the Federal Government and the Ministry of Mines and Energy. Furthermore, we collaborated with the work groups designing the “Gas to Grow” program through the Brazilian Institute for Oil, Gas and Biofuels (IBP).</p> <p>We also have a presentation on “A vision about supply and demand of natural gas” at the 18th Natural Gas Conference held by IBP.</p>

Innovation and technology

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 partnership network with universities and research centers, promoting the implementation of ambitious ideas that enable us to confront the challenges we are facing to build a sustainable future, in line with our commitment to the environment.

This Sustainability Plan includes the following initiative.

ACTION	Invest in the research and development of technologies for the safety and protection of marine environments.
DESCRIPTION	<p>We will invest in three associated projects:</p> <ol style="list-style-type: none"> 1. HEADS - System for detecting oil spills in marine environments adapted to floating oil production units - FPSO (Repsol Technology Centre - RTC and Indra, UFRJ, PUC Rio and 13 Robotics). 2. Doris - Autonomous robot for monitoring the integrity of offshore facilities (Repsol Sinopec and Statoil). 3. TAILS - Subsea Leak Detection, corporate leak detection program, and integrity monitoring program.
INDICATOR	<ul style="list-style-type: none"> - Project 1: Construction of a completed electromechanical prototype system completed by October 2017. - Project 2: a) Signature of the contract for June 2017; b) Adaptation of the current prototype to make it compatible with ATEX environments by December 2017. - Project 3: Definition of the scope of the work in October 2017.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	In progress
CLOSING TEXT	<p>In the HEADS project, we have had delays in the construction of the prototype, but the project continues on progress as scheduled and is set to be concluded in 2018.</p> <p>In the DORIS project, we have conducted a formal bidding process to select a company to carry out the R+D project (expected to start in 2018).</p> <p>In the TAILS project, we have defined its scope, with costs and timetable waiting to be sent by the universities (Federal University of Rio de Janeiro–UFRJ and Pontifical Catholic University–PUC).</p>

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.

