

Cepsa celebrates 20 years since its first environmental statement

- **In 2016, La Rábida achieved its best efficiency rating and the Palos Chemical Plant attained its best discharge quality rating**
- **La Rábida was the first refinery in Spain to submit an environmental statement. The year 2017 marks the 20th anniversary of this milestone.**
- **Cepsa has submitted the contents of both statements to professional and social sectors in Huelva**

This morning, the La Rábida Refinery and Palos Chemical Plant, both of which are industrial centers belonging to Cepsa in Huelva, submitted their respective environmental statements. These documents cover all of the information relating to the environmental performance of the facilities in 2016.

Last year, the Department for the Environment and Land Use Planning gave both centers changes to their so-called Autorizaciones Ambientales Integradas (Integrated Environmental Authorizations) (AAIs) to adapt to the conditions set forth in Spanish Royal Decree Law 815/2013, which approves the Industrial Emissions and development Regulations of Law 16/2002 on the Integrated Prevention and Control of Pollution. The new conditions have all been met without exception.

In 2016, both the La Rábida Refinery and the Palos Chemical Plant met all the legal requirements and ensured that their emissions figures were significantly below the authorized limits stipulated, despite the increase in production experienced. Also in 2016, the La Rábida Refinery obtained the distillation record, with 9.7 million tons, as well as an increase in load to different plants and units, the highest for the second year running since it opened in 1967. Similarly, the Palos Chemical Plant in 2016 obtained the second-best production figures for petrochemical products in its history.

With respect to environmental investment, the figure in 2016 amounted to 9.6 million euros. Thus, the aggregate figure taken since 1997 amounts to 327.2 million euros for Cepsa's facilities in Huelva. This amount went toward projects related to improving energy efficiency, reducing atmospheric emissions and treating wastewater, among others. Environmental expenditure in 2016 reached 28.6 million euros, totaling 407.0 million since 1997.

With regard to the achievement of the overall environmental goals set for 2016, the result attained was very positive, reaching 99.5% at the Chemical Plant. The activities carried out to improve management and reduce emissions, discharges and waste were particularly successful.

For José Antonio Agüera, Director of the La Rábida Refinery, and Agustín Bonilla, Director of the Palos Chemical Plant, "the increasingly demanding environmental legislation at European level, nationally, regionally and locally is a daily challenge for Cepsa. Adapting to new requirements and, wherever possible, going above and beyond mere compliance, is not just a duty, but a top priority to which a great deal of resources are devoted, as shown in these reports. We feel proud of our activity and of the responsible way in which we develop it. We audit ourselves and publish our environmental results; however, we are most proud of the dialog we have created with society."

ENVIRONMENTAL STATEMENT, CERTIFIED

Preparing the Environmental Statement is one of the requirements for inclusion in the register of eco-audited centers in Andalusia (EMAS).

EMAS is a voluntary environmental management system that ensures member organizations comply with all the applicable environmental regulations and constantly improve their performance in this area.

At the European level, there are 3,639 organizations registered with EMAS, of which 72 are from Andalusia, including Cepsa's La Rábida Refinery, which was the first Spanish oil refinery to become registered in 1998. The Palos Chemical Plant registered in 2010, although it has been submitting environmental statements since 1999.

The information included in the environmental report, which provides more extensive information than required by EMAS Regulations, has been verified by AENOR Internacional, S.A.U.

20th Anniversary

Cepsa wanted to mark the 20th anniversary of the first environmental statement of its La Rábida Refinery, submitting the content of the two environmental statements to a wide sample of opinion leaders from every professional and social sector in Huelva.

This is a new milestone that once again allows the Company to demonstrate its commitment to ongoing transparency and social dialog, as well as the sustainable value of its activity.

LA RÁBIDA REFINERY - KEY RESULTS

Atmospheric emissions. The average annual concentrations were notably lower than the limits set in the Autorización Ambiental Integrada (AAI). Among the limited parameters are "bubble" emissions of SO₂, NO_x and particles, emissions from all of the Refinery's centers through a single hypothetical chimney. The figures obtained in 2016 reflect broad compliance with the established limits, achieving values from 5 to 26% below the allowed limit.

Over the total SO₂ emissions, according to the volume of crude oil processed, the same result as 2015 has been maintained, i.e. 0.29 kg of SO₂/t crude oil processed. Records show that the refinery has managed to reduce this figure by 88% since 2000.

Wastewater

The volume of wastewater at the main discharge point is 11.2% less than that permitted. The quality of the discharge has seen a significant improvement since 1995. The cumulative reduction is equal to 83.6%, with this year having seen a drop of 12% compared to last year. The level of compliance with the legally established control parameters is 100%.

Waste

In 2016, the total volume of waste was 12,372 tons, which represents a 3.8% reduction compared to 2015. In any event, the development of various maintenance activities in plants and units, as well as the execution of new projects, which have involved having to process a high volume of waste from construction and demolition in addition to non-contaminated metallic waste, has led to higher volumes than in previous years.

A top priority for the La Rábida Refinery is efficiently utilizing the resources present in its waste. In 2016, it recovered 4,584 tons of waste, i.e. 37.5% of the total produced.

Energy efficiency

Since 2006, the energy efficiency index (EEI) of the refinery has been taking shape, which encompasses all energy consumption, such as natural gas, electricity, fuel, etc. With the goal of improving this indicator, in 2014, La Rábida achieved the certification of its Energy Management System, under international standard UNE EN-ISO-50001. It aims to encourage organizations to be energy efficient, reduce gas emissions that cause climate change, guarantee compliance with energy legislation and ensure the best use of available energy.

During 2016, the energy efficiency index was 83.3, improving on the 2015 figure by 0.8 units. Since 2010, efficiency has risen 15.3 units. This is the best result obtained since records began for this measurement.

Developments in products. In recent years, the sulfur specifications for automotive diesel and petrol have lowered their content to 0.001% (10 ppm). In order to comply with this requirement, Cepsa has invested in making improvements and enhancements to its

desulfurization processes. These investments facilitate a reduction in SO₂ emissions of these products in cities through the exhaust pipes of vehicles in general, thereby improving air quality. The La Rábida Refinery went a step further in 2016 by reducing the percentage of sulfur in these fuels by between 32 and 24% respectively, more than legally required.

In this vein, in 2014, Cepsa launched a new fuel for maritime use known as DMB 0.1% as part of its commitment to innovation. This product, which only contained 0.1% sulfur, allowed the Company to get ahead of the new MARPOL regulation (International Convention for the Prevention of Pollution from Ships), which was applied from 2015 to all ships sailing in Sulfur Emission Control Areas or SECAs (Northern Europe, the United States and Canada). Cepsa was one of the first producers on a global level, and the first in Spain, to announce a specific product to comply with the new legislation, thanks to the versatility and flexibility that its production units possess.

On the other hand, European directives and Spanish legislation have set goals for 2016 to ensure that 4.3% of energy present in all our petrol and diesel fuels must come from the use of biofuels.

With this in mind, the ETBE plant, a component in manufacturing biofuels obtained from agricultural ethanol, installed in 2004, provided 9.0% of the petrol produced at the refinery in 2016.

In addition, the percentage of biodiesel in automotive diesel produced at the refinery, made from vegetable oils from the Bio Oils Energy plant, installed in 2009, was 2.8%, plus a further 1.1% of hydro-treated vegetable oil (HVO) processed directly in the refinery units.

Given the above, the actual level of biofuels used in Cepsa diesel and petrol fuels in 2016 was 4.8%, 12% higher than the target set.

MAIN RESULTS OF THE PALOS CHEMICAL PLANT

Production levels. In 2016, the Palos Chemical Plant production level was 9,855,553 tons, down 8.6% compared to 2015. This is the second-best production figure on record since its installation in 1976.

Atmospheric emissions. By only using gaseous fuels, principally natural gas, as fuel for production processes in the petrochemical center, particle emissions and SO₂ are minimal and, in fact, below detection limits. With regard to NO_x emissions, the annual emissions average of the main focus is maintained below the limits established by applicable legislation, despite the reduction included in the amendment to the AAI.

Wastewater. During 2016, 802,654 cubic meters were discharged, which was 27.0% less than the annual authorized volume and 13% less than the figure for 2015. This is due to efforts to minimize energy consumption and to control and operational changes carried out.

The quality of the discharge saw a significant improvement, reaching an all-time low since calculations began. The cumulative reduction since 1998 is 94.9%.

Waste

In 2016, 2,539 tons of waste were handled. Efforts are still being made to increase recycling and waste recovery. In 2015, 19.3% of the waste handled at the plant received this treatment, i.e. 489 tons.

Energy efficiency

The Palos Chemical Plant has a heat energy consumption index per ton of product manufactured, which, in 2016, was 6.7% higher than in 2015 due to changes in production at the facility. In any case, this energy efficiency index has improved 24.7% since 2010.

Since 2015, it has held the UNE ES-ISO 50001 Certificate for Energy Management Systems, through which continuous and systematic performance improvements are made to Palos Chemical Plant facilities.

NET EMISSIONS OF CO2 FOR LRR & PCP

The year 2013 marked the beginning of the third period (2013-2020) for assigning CO2 emissions allowances, whereby the co-generation facilities have stopped receiving free allowances. As a result of the total net emissions corresponding to 2016 and relating to the two centers, there is a deficit of 649,341 of CO2 allowances.

CEPSA IN THE ENVIRONMENT

Cepsa in Huelva once again this year finished its research, maintenance and public usage programs at the Laguna Primera de Palos lagoon, held back after the signing of the collaboration agreement with the Department of the Environment of the Autonomous Government of Andalusia and renewed on an annual basis. This demonstrates the ecological importance of this natural space next to the Cepsa production centers in the province. In 2016, this space was visited by over 5,000 people.

Furthermore, Cepsa has worked on research and natural heritage and archaeological promotion projects in spaces as emblematic as Doñana National Park and the Natural Park and Reserve of the "Marismas del Odiel" Biosphere.

Cepsa grants access to the full Statements at www.cepsa.com.

Additionally, should you have any queries or require further information, you may send an email to comunicacion.huelva@cepsa.com

