

Cepsa invested €39.6 million in environmental management in Huelva

- **The company has presented its 2017 Environmental Statements**
- **It has maintained the level of investment and environmental management, minimizing the environmental impacts of its industrial activity.**
- **This morning, the La Rábida Refinery and the Palos Chemical Plant, Cepsa's two industrial centers in Huelva, presented their respective environmental statements. These documents include all the details of the environmental performance of these facilities during 2017.**
- **The Company has once again shown its commitment to transparency and permanent social dialog and the sustainable value of its activity, by presenting the content of the two environmental statements to a wide range of opinion leaders from all professional and social sectors in Huelva.**

Cepsa's environmental year in Huelva

In 2017, the Company successfully completed the process of adapting all its Quality and Environmental Management Systems to the new versions of the international standards ISO 9001 and ISO 14001, updated in 2015. In order for it to reach this milestone, efforts had to be made to adapt to the new requirements of the standard, which has been verified again at the Palos facilities. This adaptation to the highest regulatory standards of the centers with the greatest environmental impact is an example of our commitment across the board to quality and the environment.

Last year, both centers comfortably fulfilled all the requirements established in their respective Integrated Environmental Authorizations granted by the Regional Ministry of the Environment and Regional Planning.

In 2017, both the La Rábida Refinery and the Palos Chemical Plant therefore complied with all the legal requirements, their emission values standing well below the authorized limits required, despite the surge in production in recent years. In 2017, the La Rábida Refinery reported its second all-time high in distillation, with 9.5 million tons, and a record load in different plants and units since its start-up in 1967. Examples are Aromax (naphtha reformation for benzene production), Morfilane (extraction of benzene with solvent), the asphalt plant and the production of ETBE (gasoline component).

In 2017, the Palos Chemical Plant also achieved an all-time high in manufacture of its petrochemical products since it was opened in 1976, 9.7% more than in 2016.

In 2017, environmental investment amounted to 9.6 million euros, taking the total to 337.3 million euros since 1997 in Cepsa facilities in Huelva. This amount was earmarked for energy efficiency improvement projects, reducing atmospheric emissions and wastewater treatment. In 2017, Cepsa incurred environmental expenses of 30 million euros, making a total of 437 million since 1997.

Cepsa attained a very positive result in fulfillment of the environmental targets set for 2017, with a rate of 98.8% in the La Rábida Refinery. Great efforts went into improving management and bringing down emissions, spills and waste.

For José Antonio Agüera, Director of the La Rábida Refinery, and Jesús Ivars, Director of the Palos Chemical Plant, "it is a priority to lead the way in complying with the most demanding environmental legislations, whether local, regional, national or in each separate community, and that is why Cepsa makes a special effort in technological development and in improving processes to ensure an outstanding performance. It is the company's belief that investments made to promote environmental sustainability and energy efficiency are a mandatory duty. Cepsa is totally committed to making as little of an impact as possible on its environment, and we are very proud to be able to tell communities about our environmental results, which improve year after year in every single area".

Jose Antonio Cortés Rico, the Territorial Delegate for Environment and Territorial Planning, and a number of other authorities, took part in the presentation. Jose Antonio Cortés Rico spoke about "the Delegation's coordination and collaboration with Cepsa, a company which is an essential part of the Huelva business community". He went on to say: "Cepsa, through its Foundation, regularly arranges a number of different education and dissemination projects in the province of Huelva in conjunction with the Regional Government of Andalusia". "We have just renewed our partnership agreement. So, for example, we are enhancing the Dunas del Odiel botanical garden", he added.

Certified Environmental Declaration

The Environmental Statement is one of the requirements for maintaining registration in the register of eco-audited centers in Andalusia (EMAS).

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

There are currently 69 EMAS registered organizations in Andalusia. Cepsa's La Rábida Refinery was the first Spanish oil refinery to be registered in 1998. The Palos Chemical Plant was registered in 2010, although it has submitted environmental declarations since 1999.

The information contained in the environmental report, which provides more extensive information than required by the EMAS Regulation, has been verified by AENOR International.

Main results of La Rábida Refinery

Atmospheric emissions. Annual average concentrations were significantly below the limits set in the Integrated Environmental Authorization (IEA). Limited parameters include the "bubble" emissions of SO₂, NO_x and particles, which are emitted from all the Refinery's sources by a single hypothetical chimney. According to the values obtained in 2017, the company broadly fulfilled the set limits, with values from 5 to 28 per cent of the permitted limit, meaning that the La Rábida Refinery's gaseous emissions make up a marginal part - in respect of the applicable limits - of the average pollutant values measured in the Andalusian Air Quality Monitoring and Control Network, both in Huelva and in the province.

It achieved the same result as in 2016 in total SO₂ emissions, with a value of 0.29 kg SO₂/t treated crude oil. Since 2000, this rate has fallen by 88% in the Refinery.

Wastewater. The quality of wastewater has improved significantly since 1995. The cumulative reduction is 83 percent. The degree of compliance with the legally established control parameters is one hundred percent.

Waste. In 2017, the total amount of waste was 12,210 tons, a reduction of 1.3% compared to 2016. However, Cepsa had to carry out several plant and unit maintenance tasks, and new projects, in which it had to treat a large amount of building and demolition waste and unpolluted metal waste, so the amounts are higher than in the years before 2015.

The La Rábida Refinery prioritizes management that involves the efficient use of the resources present in the waste it generates. In 2017, 6,092 tons of waste were recovered, representing 49.9 percent of the total.

Energy efficiency. Since 2006, Cepsa has calculated the Refinery's energy efficiency index (EII), which includes all energy consumption such as natural gas, electricity, fuel oil, etc. In 2014, La Rábida obtained the certification of its Energy Management System, according to the international standard UNE EN-ISO-50001, with the aim of improving this indicator. It is aimed at encouraging organizations to be energy efficient, reducing greenhouse gas emissions, guaranteeing compliance with energy legislation and ensuring the best use of available energy.

In 2017, the energy efficiency index was 82.8. Since 2010, efficiency has improved by 15.8 units. This is the best result obtained since this indicator was recorded.

Product updates. In recent years, diesel and motor gasoline sulfur specifications have been lowered to 0.001% (10 ppm). In order to meet this requirement, Cepsa has invested in improvements and extensions to its desulphurisation processes, reducing SO₂ emissions from these products in cities through the exhaust pipes of vehicles in general, improving air quality. In 2017, the La Rábida Refinery has gone further by reducing the percentage of sulfur in these fuels by 35 and 26% respectively, against the mandatory limits.

In its commitment to innovation, Cepsa launched a new fuel for maritime use known as DMB 0.1% in 2014. With this product, with only 0.1% sulfur, the Company acted well before the new MARPOL (International Convention for the Prevention of Pollution from Ships) regulation, which was applied from 2015 to all ships sailing in the Sulphur Emission Control Areas or SECAs (Northern Europe, the United States and Canada). Cepsa has been 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 Cepsa units' versatility and flexibility.

European directives and Spanish legislation set a target for 2017 of 5% of the energy present in all our petrol and diesel fuels coming from the use of biofuels.

The ETBE manufacturing plant (ETBE being a component used in manufacturing biofuels obtained from ethanol of agricultural origin), installed in 2004, contributed 8.3 percent of the gasoline produced at the Refinery in 2017.

The percentage of biodiesel in automotive diesel produced by the Refinery from vegetable oils from the Bio Oils Energy plant, installed in 2009, was 4.3%, on top of the 1.2% hydrotreated vegetable oil (HVO) directly in the Refinery's units.

All in all, the actual incorporation of biofuels into Cepsa's diesel and petrol products in 2017 was 5.3%, 7% higher than the target set.

Main results of the Palos Chemical Plant

Production Levels. In 2017, the level of production supplied outside the Palos Chemical Plant was 1.05 million tons, 6.3% higher than in 2016. This is the second best production record since it was established in 1976.

Last year, however, marked an all-time high in phenol and acetone production, as well as cumene, most of which is processed at the facility. This takes overall production at the plants to an all-time high of 1.77 million tons, an increase of 9.7 percent compared to 2016.

Atmospheric emissions. As the chemical plant only uses gaseous fuel - mainly natural gas - in production processes, SO₂ and particle emissions are minimal, and are below detection limits. Annual average NO_x emissions remain below the limits set by the applicable legislation, despite the reduction included in the amendment to the IEA.

Wastewater. During 2017, a high level of wastewater quality was maintained, expressed as a global indicator of the main parameters limited by the Integrated Environmental Authorization. The cumulative reduction in this indicator since 1998 is 92 per cent.

Waste. In 2017, 2,293 tons of waste were managed. Actions to increase waste recycling and recovery have continued, and 27.6 percent of the waste managed, 633 tons, received this treatment.

Energy efficiency. The Palos Chemical Plant has a heat energy consumption index per ton of product manufactured, which in 2017 was 4.4% higher than 2016 due to the production changes at the facility. This energy efficiency index has improved by 21.4 percent since 2010.

Since 2015, the Company has been awarded the UNE EN-ISO 50001 Certification for the Energy Management System, through which continuous and systematic improvements are made to the energy performance of the facilities at the Palos Chemical Plant.

Balance of CO2 emissions from RLR and PQP

The third allocation period (2013-2020) of CO2 emission rights began in 2013. In this period, cogeneration installations no longer receive free allowances, and thus there is a deficit of 743,481 CO2 rights in the total balance of emissions for the 2017 in the two centers.

Cepsa in the environment

Cepsa has a steadfast commitment to forge ahead with the external environmental initiatives it has been carrying out over some years. These include maintaining and enhancing the natural spaces in the immediate surroundings of the plants, in order to strengthen its values and knowledge, which it uses as a laboratory and natural workshop for continuous research and for public use.

During 2017, educational, research, maintenance and public use programs continued in the Laguna Primera de Palos, after the collaboration agreement was signed between the Cepsa Foundation and the Regional Ministry of the Environment of the Regional Government of Andalusia (renewed every year). These programs underscore the ecological importance of this natural area adjacent to Cepsa's production centers in the province. In 2017, more than 4,700 people visited this space.

This agreement is used to promote and enable environmental restoration projects, research and/or dissemination of other natural spaces (Natural Park and biosphere reserve Marismas del Odiel, Doñana National Park and the Dunas del Odiel Botanical Garden).

Visits and initiatives in the surroundings of La Rábida (Caravel Quay and Celestino Mutis Botanical Garden) are promoted through collaboration agreements with other entities or public administrations (local councils, Provincial Council, University of Huelva), with activities to investigate business sustainability, environmental education, care and enhancement of the environment as well as the development of policies to respect the environment.

Cepsa invites you to read the complete documents of the Environmental Declarations at www.cepsa.com.

For any further information or to answer any queries, please contact us at this email comunicacion.huelva@cepsa.com

Cepsa is a global energy company, which operates in an integrated manner at all stages of the hydrocarbon value chain. In addition to manufacturing products from plant-based raw materials, it also has a presence



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in the renewable energy sector. Mubadala Investment Company, one of the largest sovereign wealth funds in the world, is the only shareholder.

Cepsa's experience spans more than 85 years and its team, made up of close to 10,000 professionals, offer technical excellence and a capacity for adaptation. It is present on all five continents through its business areas of Exploration and Production, Refining, Chemicals, Marketing and Distribution, Gas and Electricity and Trading.

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