

ETHICS

APROBADO

APROBADO POR: BOARD OF DIRECTORS
Secretary of the Board of Directors
Ignacio Pinilla Rodríguez

FECHA: JUNE 2019

This document has been approved by the above-mentioned entity on the date stated above (by electronic signature). It is recorded in the Documentum management system of the Cepsa Group regulations in line with the established guidelines within NO-002 and PR-148.

CEPSA GROUP HUMAN RIGHTS POLICY

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GLOSSARY OF TERMS

AUDIT, COMPLIANCE AND ETHICS COMMITTEE

A standing committee of the Board of Directors whose primary role is to advise and assist the Board with its oversight responsibilities in matters related to internal audit, internal control, compliance and risk management systems; the preparation of financial information and financial reporting and disclosure processes; and the relationship with the external auditor.

COMPLIANCE AND ETHICS OPERATING COMMITTEE

An internal working committee reporting functionally and hierarchically to the Audit, Compliance and Ethics Board Committee whose primary purpose is to ensure that the organization is fully compliant with all applicable laws and regulations and with its own internal policies and procedures in the conduct of its activities and businesses, and that it upholds the values of business integrity in all of its operations, consistent with the ethical standards and commitments articulated by the Board of Directors in the corporate Code of Ethics and Conduct. In order to fulfill its role, it is vested with the broadest powers and authorities, budgetary autonomy and independence of action through the Ethics & Compliance Office belonging to the Internal Audit, Compliance and Corporate Risk Division.

INTERNAL AUDIT, COMPLIANCE AND CORPORATE RISK DIVISION

Company division in charge of overseeing the Ethics & Compliance Office and ensuring its effectiveness, and taking the appropriate actions in accordance with the duties and responsibilities set out in this policy.

NON-COMPLIANCE

Any alleged breach or infringement of the general principles and ethical values established in the Code of Ethics and Conduct, or in applicable laws and regulations governing the Cepsa Group. Non-compliance shall also include any violations of the Spanish Criminal Code that could give rise to corporate criminal liability.

ETHICS & COMPLIANCE OFFICE

this unit is responsible for maintaining an effective ethics program in the Cepsa Group, managing the Ethics & Compliance Helpline, and providing support and assistance with the design, development and implementation of the appropriate control activities and framework to ensure that Cepsa's businesses are compliant with all applicable laws and internal regulations. This Office is also in charge of ensuring that other assurance units put in place the necessary compliance programs.

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NOTE:

THIS DOCUMENT HAS BEEN APPROVED BY THE BOARD OF DIRECTORS ON NOVEMBER 20, 2018 AND ENTER INTO FORCE FROM THE DATE OF ITS APPROVAL

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CEPSA GROUP CORPORATE RESPONSIBILITY POLICY

1. INTRODUCTION

The Board of Directors of Compañía Española de Petróleos, S.A.U. (“Cepsa” or the “Company”) is responsible for determining the business strategy and approving the general policies of the Company, as well as providing oversight for its internal control framework. In the fulfillment of these responsibilities and consistent with the Cepsa Group Code of Ethics and Conduct, and with the Mission, Vision and Values of the Cepsa Group and its ethics and compliance culture, it has approved this Human and Labor Rights Policy (hereinafter, the “Policy”).

Section II of the Code of Ethics and Conduct of Compañía Española de Petróleos, S.A.U. and its group of companies (collectively, “Cepsa Group”), articulates the Company’s firm commitment to the protection and advancement of human rights and fair labor practices.

Non-discrimination based on race, nationality, age, gender, marital status, sexual orientation, ideology, religion or any other personal condition, physical or social, as well as fair and equal opportunities are, among others, principles that guide and support responsible business policies:

- in the management of the organization;
- in its interactions with its stakeholders and, in particular, its employees.

2. PURPOSE

This Policy is an integral component of Cepsa’s corporate governance system and is intended to establish the standards and guidelines that must be followed by directors and employees of the Cepsa Group, as well as its business partners, with regard to human rights and labor practices in all areas and communities where we operate.

In the framework of labor practices, this Policy seeks to promote a workplace that is free from discrimination based on any diversity factor (gender, age, race or any other personal distinction), by prohibiting and enforcing disciplinary measures against actions and behaviours that undermine human dignity and respect for universal human rights, and putting in place the appropriate measures to support and strengthen ethical conduct in an environment that upholds equality and fosters diversity.

In the framework of Human and Labor Rights, the Cepsa Group regards respect for the inherent dignity of people and their inalienable rights as a fundamental part of its corporate responsibility, and as an essential requirement for conducting its business activities in any country or social environment.

Accordingly, in addition to complying with the applicable laws of each country where it operates, and consistent with its Code of Ethics and Conduct, the Cepsa Group has drafted and adopted this Policy in accordance with international laws and practices such as the Universal Declaration of Human Rights of the United Nations, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO), and the OECD Guidelines for Multinational Enterprises and taking into account what is set forth in the National Action Plan for Businesses and Human Rights of the Government of Spain, approved on July 28, 2017.

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Likewise, it adheres to the Ten Principles of the United Nations Global Compact, the Declaration on the Rights of Indigenous Peoples of the General Assembly of the United Nations and ILO Convention 169 on Indigenous and Tribal.

3. SCOPE AND APPLICABILITY

This Policy is applicable to all directors and employees of the Cepsa Group (understood to be companies in which Cepsa has a shareholding of over 50%) as well as its business partners. In companies where Cepsa has a noncontrolling interest and which are not subsidiaries of the Cepsa Group, every reasonable effort shall be made to ensure that they adopt standards and principles that are consistent with those contained in this Policy.

The Cepsa Group expects and encourages its business partners to develop and implement ethics programs and standards that are aligned with ours. In cases where Cepsa believes that such parties have failed to comply with our policies or their contractual commitments, it reserves itself the right to take the appropriate action.

4. COMMITMENTS AND GUIDING PRINCIPLES

4.1. The guiding principles of the Cepsa Group with regard to human rights vis-à-vis its different stakeholders are as follows:

Employees

The Cepsa Group is committed to respecting the fundamental rights of all of its employees, providing a work environment that promotes utmost respect for the dignity of all people and demonstrating at all times its intolerance of:

- Discriminatory behaviour on the basis of gender, ethnic background, creed, religion, age, disability, political affiliation, sexual orientation, nationality, citizenship, marital status, socioeconomic status or any other circumstance.
- Harassment, intimidation or violence of any kind.
- Supporting dignified employment, scrupulously upholding and defending the right of people not to be victims of forced labour and rejecting any form of labour exploitation, in particular child labour. In keeping with this objective, it undertakes to carefully review its hiring and induction procedures to ensure that everyone employed by Cepsa is over 16 years of age (the minimum legal age to be able to work in Spain), or over the applicable statutory minimum age for workers in the relevant country where Cepsa conducts its business, if higher.
- Respecting freedom of association and the right to collective bargaining, as well as the right to engage in trade union activities and recognised protection to employee representatives, in compliance with the labor laws of each country, and in accordance with ILO Convention 87 on freedom of association and protection of the right to organize and ILO Convention 98 on the right to organize and collective bargaining, both ratified by Spain.

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- Safeguarding workplace health and safety, providing safe, secure and healthy working conditions at all of its facilities, strictly complying with all legal requirements and adopting regulations and procedures on occupational health and risk prevention.
- Fostering training and awareness initiatives that promote a culture of respect for human and labor rights among its employees, and that encourages a respectful and sensitive attitude by Cepsa's employees towards its business partners.

Suppliers

The Cepsa Group expects its suppliers and contractors to respect and uphold internationally recognized human rights.

Moreover, the Cepsa Group supports its commitment to human rights throughout the supply chain, consistent with the contents of this Policy. Accordingly, the Cepsa Group undertakes to:

- Give preference, in its due diligence and selection processes, to suppliers and contractors having their own human rights policies or, in their absence, those that support the principles of the Cepsa Group Code of Ethics and Conduct.
- Require its supply chain to formally adhere to the "Cepsa Group Suppliers Code of Ethics", or to have adopted the principles embodied in the United Nations Global Compact.
- Establish the appropriate communication channels with its suppliers and contractors that enable actual or potential breaches and violations to be reported.
- Demand respect for international principles and rules on the use of force, in particular the "International Code of Conduct for Private Security Service Providers" (www.icoc-psp.org) considering that some activities of the Cepsa Group are conducted in high-risk and challenging environments that require the hiring of state-owned or private security companies.

Customers

The Cepsa Group expects its customers to uphold standards and manage their business activities in a way that not only complies with applicable laws but also demonstrates respect for internationally-recognized human rights.

The Cepsa Group likewise respects the human rights of its customers and undertakes to:

- Provide products and services which, depending on their nature, are safe and respectful with the environment, as well as offer truthful and accurate information on the above.
- Guarantee, at all times, the right to privacy, protecting and making appropriate use of the personal data submitted by customers. To this end, the Company has policies, processes, and controls in place to ensure that customer data is managed in an ethical, lawful and responsible way.

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Local and indigenous communities

Cepsa respects the rights of people living in the host countries where it conducts its businesses.

Given the nature of its business activities, the Cepsa Group is firmly committed to protecting the human rights of indigenous communities, in compliance with ILO Convention 169 on Indigenous and Tribal Peoples and the Declaration on the Rights of Indigenous Peoples of the General Assembly of the United Nations.

4.2. The guiding principles of the Cepsa Group with regard to labor rights, equal opportunity and nondiscrimination are as follows:

- Endorsing and supporting the principle of equality, through the development of respect for workplace diversity and inclusion and the promotion of non-discrimination. In particular, the Cepsa Group shall make every effort to ensure equal treatment for men and women as regards recruitment, hiring, training, professional development, compensation and merit-based promotion, encouraging and facilitating open and constructive dialogue and communication.
- Establishing the appropriate mechanisms to ensure ongoing tracking and monitoring of benchmarks that demonstrate steady progress towards the achievement of effective equality, always taking into account the nature of the different businesses and companies of the Group.
- Promoting workforce training and education initiatives intended to raise awareness on issues such as equality and respect for diversity and inclusion, and to build a culture across the organization that is open to and supportive of the changes that may result from the implementation of equality policies in our society.
- Implementing flexibility and work-life balance initiatives that help employees achieve a more equitable balance between their private lives and family responsibilities, and their careers.
- Fostering and maintaining certifications and awards that value and distinguish the Group's commitment and progress in advancing the principles of equal opportunity, non-discrimination and respect for diversity.
- Encouraging exemplary behaviour by all Cepsa Group employees, whose actions should support equal opportunity principles and foster and respect diversity, promoting an environment of trust and cooperation which serves to enhance the quality of life and work.
- Extending the principles of equality to the value chain, providing information to suppliers and contractors regarding the Cepsa Group's commitment to equal opportunities and protection from harassment and discrimination.

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5. DISCIPLINARY ACTION

Our Code of Ethics and Conduct is ranked at the highest regulatory level within Cepsa and this Policy supports a key component of the Code.

Persons who fail to comply with our Code and this Policy may be putting the Company at risk and as a result, may be subject to disciplinary action or penalties.

Each violation of this Policy shall be reviewed on a case-by-case basis and, where necessary, the appropriate disciplinary and corrective measures shall be applied in accordance with corporate policies and procedures and applicable laws.

Disciplinary action may also be taken against:

- Persons who do not take the necessary care or diligence to identify and report violations;
- Persons who fail to cooperate with an investigation or provide false, incomplete or misleading information;
- Managers or supervisors who attempt to retaliate against someone who has reported, in good faith, a suspected violation or who is cooperating with an investigation in his or her area.

The Ethics & Compliance Office, as a unit of the Internal Audit, Compliance and Corporate Risk Division, shall ensure effective oversight, monitoring and control to identify any actions or behaviors that violate the standards and principles of this Policy and our Code.

The above shall be without prejudice to any other units or bodies, specifically tasked to oversee and monitor unlawful activities, that may be set up and organized in other Cepsa subsidiaries, as needed, in order to ensure compliance with any local industry or national laws of the countries and jurisdictions where they operate. The Ethics & Compliance Office will interact and coordinate with such units accordingly.

As delegated by the Audit, Compliance and Ethics Board Committee, the Internal Audit, Compliance and Corporate Risk Division shall annually review and assess observance and enforcement of this Policy and the adequacy and effectiveness of the controls in place, reporting to the Audit, Compliance and Ethics Board Committee on any infringements or violations.

The Compliance and Ethics Operating Committee shall periodically review this Policy and submit recommendations to the Board of Directors regarding any amendments or revisions as may be necessary or advisable to ensure its adequacy and effectiveness, taking into consideration the suggestions and input of the Ethics & Compliance Office and Cepsa Group employees.

In order to ensure compliance with this Policy, the Cepsa Group has a procedure in place for submitting questions and concerns or reporting complaints on its website or via email (canaletica@cepsa.com).

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6. POLICY MANAGEMENT

The Labor Relations and Human Resources Marketing Unit shall oversee and manage this Policy and shall address and clarify any doubts that may arise as to its applicability, as well as review its contents at the appropriate intervals and have them updated, as required.

7. DISTRIBUTION AND PUBLICATION

As part of the Company's set of regulations, this Policy shall be distributed and published based on the rules and procedures determined for Corporate Regulations in the "Procedure for the management of regulations in the Cepsa Group" (PR-148). The Organization Unit shall be responsible for its distribution, publication and monitoring.

8. RELATED PLANNING AND CONTROL REGULATIONS AND POLICIES (IPCs)

This document is primarily related with the following Cepsa Group regulations and policies:

- PL-0001 Cepsa Group Code of Ethics and Conduct
- PL-0006 Conflicts of Interest Policy
- PL-0013 Anti-Bribery and Corruption Policy for the Public Sector
- PL-0014 Anti-Bribery and Corruption Policy for the Private Sector
- PL-0017 Third-Party Due Diligence Policy
- PL-0018 Ethics & Compliance Helpline Policy
- PL-0019 Corporate Risk Policy
- PL-0020 Corporate Criminal Risk Prevention Policy
- MO-0470 Cepsa Group Manual on Community Relations (Chapter 02-Policy for Relations with Indigenous Communities)
- PR-171 Procedure for the investigation of allegations of sexual and/or psychological harassment.