



CEPSA
CORPORATE
RESPONSIBILITY
POLICY



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1. GLOSSARY

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 Department, Office of Ethics and Compliance and Corporate Risks.

Internal Audit Department, Office of Ethics and Compliance and Corporate Risks: 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.

2. 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, it has approved this Corporate Responsibility Policy (hereinafter, the "Policy").

Cepsa is a global energy Company that aims to adapt energy to the needs of individuals, businesses and society, maximizing shareholder return and value creation and maintaining financial robustness and sustainable growth in the long term.

The Company considers that responsible management of its activities and resources is an essential factor in accomplishing these objectives.

As such, Corporate Responsibility for Cepsa means achieving excellence in its business management, acting with honesty, integrity and respect, protecting people, assets, processes and the environment by dealing with the challenges that present themselves professionally and innovatively and responding to the expectations of its stakeholders and society in general, all aligned with the corporate Mission, Vision and Values.

With this Policy, Cepsa has formally articulated its commitment to integrating Corporate Responsibility best practices into daily business activities and decision-making in all the organizational units and in all countries and regions where it operates. Likewise, the Company endeavors to contribute to achieving the goals defined in the United Nations Sustainable Development Goals.

These commitments are regularly reviewed by the Company's Management in order to ensure continuous improvement in their performance in these matters. For this purpose, objectives, guidelines and specific actions are set out in the Corporate Responsibility master plans.

3. PURPOSE

This Policy is designed with the aim of building a general companywide framework of responsible action. It is supported through the various policies, positions, regulations and procedures (IPCs) of the various businesses and organizational units that develop issues such as criminal risk prevention and anti-corruption, respect for human rights, environmental protection, safety and security, community engagement, diversity and equal opportunities, employee support, people and assets protection, and responsible tax practices, among others.

The Corporate Responsibility Policy at Cepsa sets out the following broad objectives:

- To promote the achievement of strategic objectives through responsible corporate management.
- To bring the energy that each reality requires safely and responsibly to society.
- To responsibly manage the risks and opportunities of the Company's activities.
- To promote mutually beneficial relationships with its stakeholders and generate shared value.

4. SCOPE AND APPLICABILITY

This Policy is applicable to Cepsa and subsidiaries of the Group in which Cepsa has a controlling interest (over 50%). In companies where Cepsa has a non-controlling interest, every reasonable effort will be made to ensure that they have standards, principles and guidelines that are consistent with those set out in this Policy.

Cepsa expects and strives to encourage its business partners to develop and implement Corporate Responsibility programs and standards that are in alignment with ours. In cases where Cepsa believes that such parties have failed to comply with our policies, it reserves itself the right to take the appropriate actions.

5. GUIDING PRINCIPLES

Corporate Responsibility practices at Cepsa shall be governed by the following **guiding principles**:

- 1) To comply with the applicable legal, regulatory and contractual requirements in all areas where the Company operates, as well as abide by any additional or supplementary policies and procedures to which the Company voluntarily adheres to.
- 2) To foster an organizational culture that ensures that Corporate Responsibility is an integral and fundamental part of the Company's activities and key to its corporate success.
- 3) To uphold the core Values defined by Cepsa and articulated in the Code of Ethics and Conduct, which constitute the standards guiding our performance as a committed and responsible company, and which are as follows:

Safety: Safety is the cornerstone of our activities; we make an unwavering commitment to protect the people we deal with on a daily basis – our employees, business partners, contractors, suppliers, distributors, customers and neighbors - and to ensure the operational integrity and reliability of our facilities and processes; we aim to meet the highest standards of operational excellence and best practices, relying on prevention as the key to

eliminating risks and hazards and promoting a safety culture throughout our organization and beyond.

Sustainability: We seek to contribute to economic prosperity through the long-term sustainable growth of our businesses in a way that is socially and environmentally responsible; we respect and care for the environment and the welfare of society as a whole, focusing particularly on the communities where we work and live; and we maintain relationships based on ethical conduct, trust and transparency with our stakeholders.

Continuous Improvement: We develop and retain talent and expertise, embedding a culture of excellence across the organization; we focus on consistently delivering operational reliability and efficiency; we rigorously comply with the law and implement effective measures and controls to prevent possible irregularities or misconduct.

Leadership: We conduct ourselves with honesty, integrity and respect for others; we work with care, take responsibility for our actions and follow through on our commitments; we help, drive, motivate and inspire one another as a basic key to our success and boldly, decisively and innovatively search for new ideas and opportunities.

Solidarity: We uphold the value of teamwork, endeavoring to do what is best for the overall interest of Cepsa, through cooperation among our different areas and close and productive relationships with our customers and suppliers, always maintaining a positive and respectful attitude towards one another.

- 4) To abide by, adopt and respect the Universal Declaration of Human Rights, the ILO Declaration (UN International Labor Organization) on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises and the Principles of the United Nations Global Compact, as well as other commitments on corporate responsibility that Cepsa has voluntarily adhered to through its membership in national and international programs and initiatives.
- 5) To promote meaningful and trusted relationships with the Company's various stakeholders through open and constructive dialogue and truthful and transparent information disclosures.

6. COMMITMENTS

To meet these objectives, the Corporate Responsibility Policy establishes commitments, integrated into Cepsa's various organizational units, which are undertaken through the Company's different management areas.

1) Commitments to long-term value creation

- To protect Cepsa's integrated business model through investments that allow the Company to grow and be better-positioned to address the changes and uncertainties that may be faced by its businesses.
- To harness the Company's experience, know-how and leadership as generating added value in the implementation of projects worldwide, in all businesses and geographical areas.
- To promote research, innovation and the creation of ideas to contribute to the continuous improvement of operations and the search for new projects that promote the sustainable growth of the Company.
- To encourage the adoption of new digital technologies, innovation models and customer experience strategies.
- To promote the efficient use and management of resources within the framework of continuous improvement.
- To maintain risk management and control systems, both financial and non-financial, enabling decisions to be taken within the framework of approved and delegated limits and tolerances.

2) Commitments to ethics, good governance and transparency

- To conduct our activities and practices by upholding the values and guiding principles contained in the Code of Ethics and Conduct, as well as its supporting compliance policies.
- To have a business model that is well-communicated throughout the Company, ensuring ethical, transparent and responsible behavior in all activities and operations.
- To have confidential channels, such as the Ethics & Compliance Channel, for submitting concerns or complaints on actual or perceived unethical conduct both within and outside the Company.
- To promote transparency and truthful, accurate and responsible information disclosures and communication with our stakeholders on operational, financial and non-financial issues of the Company.

3) Commitments to responsible tax practices

- To respect and comply with applicable local and national laws in the countries and jurisdictions where we conduct our businesses, honoring our disclosure and reporting obligations and paying all taxes that are legally due under applicable tax regulations.
- To adopt decisions with tax implications by making a reasonable and justified interpretation of applicable tax rules.
- To prevent and minimize tax risks associated with possible differing or conflicting interpretations of tax laws.
- To ensure that taxation adequately reflects and is consistent with the structure and location of our activities, the associated human and material resources and the allocation of business risks to our different units.
- To build positive, transparent and constructive relationships with the tax authorities of the countries and jurisdictions where Cepesa operates, based on the principles of trust, cooperation, good faith, professionalism, mutual respect and reciprocity, without prejudice to the possible conflicts and disputes that may arise with regard to the interpretation and implementation of applicable tax regulations, which shall be resolved through the appropriate legal channels and always within a framework of respect for the abovementioned principles.

4) Commitment to safety

- To assess in advance the potential safety risks in the Company's activities and operations, taking any preventive measures deemed necessary.
- To offer the highest level of protection and safety while carrying out activities and operations, both for the people working for the Company, as well as for the assets, processes and environments and populations living in the vicinity of our facilities.
- To embed safety criteria into the Company's business decisions and plans by providing the structures and resources to implement the necessary initiatives to support and uphold the required safety standards at any given time.
- To develop specific initiatives to ensure the proper protection of the Company's intellectual capital.
- To ensure that employees, suppliers and contractors are appropriately informed and trained in safety and that they are mindful of the safe work practices and conduct that they must follow in the performance of their duties and responsibilities.
- To pay special attention to protecting the health and safety of customers and the general population in the life cycle of the products that the Company manufactures and sells.

5) Commitments to the environment

- To execute operations under the highest standards of excellence in environmental protection and stewardship and conservation of natural resources, consistently taking into account the criteria of energy efficiency, optimization of raw materials and resources and protection of biodiversity and ecosystems.
- To contribute to and support the fight against climate change, striving to reduce emissions by investing in technological innovation to improve energy efficiency in all Company activities.
- To use water resources prudently and sensibly, contributing to their quality and advocating for a reduction in the associated water footprint.
- To use resources efficiently by ensuring that the value of products and materials is kept in the economy for as long as possible, minimizing waste generation.
- To apply a preventive approach to prevent or minimize the impacts of activities on biodiversity and the environment, with the intention of protecting them from any action that might cause hazardous or harmful effects.

6) Commitments to people

- To ensure that the activities of the Company respect and support the Human Rights recognized in international treaties or conventions.
- To uphold and enforce fundamental rights at work, identified by the ILO (UN International Labor Organization), supporting freedom of association and recognition of the right to collective bargaining.
- To foster a fair, collaborative and motivating work environment that is respectful of the professional and personal needs of employees, promoting the proper management of talent, professional development, work-life balance and family support.
- To promote equal opportunities through respect for diversity and promotion of non-discrimination in access to employment, training, professional development, compensation or professional advancement.
- To support a healthy and safe workplace and regularly monitor employee health and wellbeing.

7) Commitments to customers

- To ensure the quality of products and services offered to customers, and be attentive to their requests for information, grievances and other needs and to promote customer satisfaction and the sustainability of relationships.
- To foster a close relationship with customers based on the principles of transparency, truthfulness, lawfulness and protection of information.
- To inform customers in a timely manner about the health, safety and environmental aspects of the Company's products and services.

8) Commitments to suppliers

- To ensure that the supply chain complies with the principles and values embodied in the Cepsa Supplier Code of Ethics.
- To support awareness and the adoption of best practices in Corporate Responsibility between suppliers and contractors.
- To promote integrity, sustainability and equal opportunities in procurement processes, as well as the

inclusion of Corporate Responsibility criteria in the decision-making process.

- To encourage the hiring of suppliers in the Company's countries or areas of operation to support the local business network.

9) Commitments to society

- To promote the Company's engagement in the local communities of the countries and regions where it operates, respecting their culture, and creating collaborative environments for generating value aimed at promoting economic, social and environmental development.
- To invest in actions aimed at preventing or minimizing any potential negative impacts and enhancing the positive impacts of our activities.
- To undertake social actions and initiatives in the local communities where we conduct our business, aimed at supporting their development and wellbeing.

7. 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 and specifically those who destroy or try to withhold relevant evidence or information for 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.

8. OVERSIGHT, ASSESSMENT AND REVIEW

The Management Committee will oversee and monitor the Company's performance in this area, reviewing the development of initiatives that are included in the Corporate Responsibility Management Plans, in order to seek continuous improvement.

The Ethics & Compliance Office, as a unit of the Internal Audit Department, Office of Ethics and Compliance and Corporate Risks, 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 of Ethics and Conduct.

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 Department, Office of Ethics and Compliance and Corporate Risks 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.

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).

9. RESPONSIBILITY AND IMPLEMENTATION

The Communications Unit shall be responsible for the implementation of this Policy and shall address and clarify any doubts that may arise as to its applicability and enforcement.

This Corporate Responsibility Policy was approved by the Board of Directors at its meeting held on November 20, 2018.

10. POLICY MANAGEMENT

The Communications 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.

11. 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.

12. RELATED PLANNING AND CONTROL REGULATIONS AND POLICIES

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

- PL-0001 Cepsa Group Code of Ethics and Conduct
- PL-0019 Corporate Risk Policy
- PL-0006 Conflicts of Interest Policy
- PL-0020 Corporate Criminal Risk Prevention Policy
- PL-0017 Third-Party Due Diligence Policy
- PL-0013 Anti-Bribery and Corruption Policy for the Public Sector
- PL-0014 Anti-Bribery and Corruption Policy for the Private Sector
- PL-0018 Ethics & Compliance Channel Policy

