

Section 172(1) Statement of Repsol Sinopec Resources UK Limited

The Directors have acted in a way they considered, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in 172(1)(a-f) of the Companies Act 2006) in respect of decisions taken during the year.

In discharging their duty under section 172(1) the Directors have had regard (among other matters) to the following:

The likely consequences of any decision in the long term

The Board has delegated authority in respect of certain business decisions to the Executive Committee and management of day to day business operations to the Executive Management Team (EMT). The Directors, Executive Committee and EMT are committed to delivery of the business plan and strategic guidance set by the company's shareholders. The Board comprises experienced industry professionals and meets quarterly to review strategy and business performance. During the year decisions were taken to adapt to an extreme business environment, ensuring safe continuity of operations with an appropriate COVID-19 response. The company also progressed key capital projects.

The interests of the company's employees

Our employees are seen as a key component and asset of our business. Employees are consulted on a regular basis to ensure that their views are heard and the company is committed to promoting equality and fairness for all its employees through its Employee Forum and Inclusion and Diversity Committee. The Employee Relations & Engagement Lead provides support to the business across a range of employee relations and engagement activities.

All our employees are actively encouraged to submit suggestions on where we as a business can improve, with employee forums held quarterly to facilitate direct two-way communication with the EMT and through online surveys and an engagement mailbox. An employee engagement survey was undertaken in 2020 to give employees the opportunity to share their views – with 78% employee participation. Employees receive regular face-to-face and email communications from department heads and the EMT.

The company is offering employees enhanced flexibility in terms of employee benefits and improvements in the employee value proposition are also planned. The Health and Lifestyle Options (HALO) group was set up to address mental health and wellbeing of our workforce through engagement events and access to online tools.

We also encourage employees to take an active role in health, safety and environmental issues. 'Spot It Own It' is a workforce engagement tool aimed at giving everyone on our offshore platforms the tools – and confidence – to contribute to assuring the integrity of their asset. Our iCare personal intervention programme encourages our workforce to intervene in real time if they see an unsafe behaviour or situation.

The need to foster business relationships – joint venture partners, suppliers, customers

We seek long-term sustainable relationships with our suppliers and joint venture partners which are fostered by fairness, mutual trust and collaboration within the oil and gas industry. We seek to do business with those who comply with legal requirements and act in a manner which is

consistent with our own ethical principles and who mirror our company's commitment to compliance and standards as detailed in our Supplier Code of Conduct and Ethics.

We also publish an annual Modern Slavery Act Statement on our company website which sets out our own commitments and the standard of behaviour expected from our suppliers.

Government and Regulators

We regularly engage with the Health and Safety Executive (HSE), the Oil and Gas Authority (OGA) and other government bodies in relation to our business and development activity. We are also a member of Oil and Gas UK (OGUK), the leading representative body for the UK offshore oil and gas industry and participate in various OGUK working groups. The CEO of the company was appointed to the Board of OGUK in November 2020.

The impact of the company's operations on the community and environment

We strive to provide a reliable, safe and efficient energy supply and are committed to environmental performance that meets or exceeds regulations in the areas where we operate.

We seek to understand and minimise our impact on air, land and water before and after commencing operations. Further information is available within our environmental statement and in our Golden Rules on our company website.

The company appointed an Emissions Manager and developed an emissions reduction plan aimed at reducing the company's carbon intensity and greenhouse gas emissions, further information on this is included within the Streamlined Energy and Carbon Reporting (SECR) on page 14. The company has also appointed emissions focal points across the business to submit ideas about what we can do to become less carbon intensive across our portfolio.

Supporting our local communities is an integral part of our working life. As part of our Corporate Social Responsibility programme we partner with charitable organisations and undertake fundraising making a positive difference to those in need in the local area.

Maintaining a reputation for high standards of business conduct

Responsible business conduct is fundamental to the long-term success of the group. We are committed to carrying out all activities connected to our business in accordance with applicable laws and have implemented policies and procedures designed to ensure regulatory and legal compliance. In particular, we operate a zero tolerance policy when it comes to corruption, and we explicitly prohibit facilitation payments and all forms of bribery.

Our Code of Conduct and Ethics sets out the standards and behaviours expected of all our employees, contractors, suppliers and joint venture partners, and details the guidance and support that we provide to help them meet the highest standards of business practice – legally and ethically. All our personnel must complete mandatory ethics training once a year.

The need to act fairly as between members of the company

The Board and Executive Committee of the company comprise representatives from both shareholders ensuring a high degree of Shareholder engagement in all key business decisions. Shareholders are engaged through assurance groups to ensure that all decisions are made on an informed basis and in the best interests of both Shareholders and their respective organisations.