



OVERVIEW

2018

SUSTAINABILITY
PLAN

Bolivia



2018 Sustainability Plan

Overview



At the end of the year, it is time to review each of the initiatives that are part of the Sustainability Plan. The degree to which the objectives have been fulfilled is as follows:

18 Actions / **50%** Fulfillment



Ethics and transparency

2 ACTIONS



People

9 ACTIONS



Safe operation

2 ACTIONS



Environment

4 ACTIONS



Climate change

1 ACTION

Further down, you can obtain more detailed information for each of the actions included in the plan, their indicators, and all other relevant information.

2018 Sustainability Plan

Noteworthy projects



At Repsol, we contribute to sustainable development...

Fostering production

The three production projects that we have consolidated in the communities neighboring the contract region of Caipipendi, have a majority of women participants. The projects are related to food safety and aims to generate profit. We have achieved an excellent participation and use of local resources by training community members and creating business plans for projects such as arts and crafts, honey production and laying hens.



The power of volunteering

INTEGRA is the Corporate Volunteering initiative that we have consolidated in Bolivia with the participation of Repsol employees. The initiative now has over 50 members and, during its first year, it launched a project to repair and equip facilities at the San Lorenzo Home, which shelters over 60 families. INTEGRA also carried out a series of activities within the framework of the World Volunteer Week and four projects are already in the works for execution in 2019.

Recovering Bolivia's Memory

In partnership with the Ministry of Cultures and Tourism and within the framework of UNESCO's Hague Convention for the Protection of Cultural Property in the Event of Armed Conflict, Repsol Bolivia initiated a plan for identifying assets and property that pertain to the Cultural Heritage of the Plurinational State of Bolivia. Blue Shields were installed on buildings and constructions of significant historical importance in La Paz, Sucre, Tarija and Potosí in 2018, thus contributing to their conservation and dissemination of their role in the country's role.





PRESENTATION

2018
SUSTAINABILITY
PLAN
Bolivia



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Legal Notice

This Sustainability Plan includes a set of actions which, in whole or in part, go beyond what is required by law and are aimed to contribute to sustainable development. Participating companies of Repsol Group have the firm intention to undertake and fulfill them. However, they reserve the right to modify, postpone or cancel their implementation without incurring liability, but undertake to publicly justify these possible cases.

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1 Our vision of sustainability

Preparation of this Plan



At Repsol, we contribute to sustainable development by seeking to satisfy the growing demand for energy, which is essential for the fulfillment of people's fundamental rights, and by creating value in both the short and long term.

We maximize our positive impact and minimize our negative impact on society and the environment throughout our value chain by acting ethically and transparently. In doing so, we seek to comply not only with the regulations in force but also with the main international standards.

Under these premises, our sustainability model incorporates ethical, environmental, and social considerations into our decision-making process, based on dialogue with stakeholders. We do this every year, creating initiatives that address the concerns of these stakeholders. This is how the **Sustainability Plans** — action plans that are available to the public and created on an annual basis — are born.

The **Global Sustainability Plan** is put together on the basis of the **six axes** of Repsol's Sustainability Model.



Ethics and transparency

We act responsibly and with integrity wherever we operate



People

We are committed to people and promote their development and social environment



Safe operation

We guarantee the safety of our employees, contractors, partners, and the local community



Environment

We consume the resources needed to generate power more efficiently and with the least possible impact



Climate change

We want to be part of the solution to climate change



Innovation and technology

We encourage innovation and incorporate technological advances to improve and develop ourselves and our environment

2018 Sustainability Plan Bolivia / 18 Actions

 Ethics and transparency

2 ACTIONS

 People

9 ACTIONS

 Safe operation

2 ACTIONS

 Environment

4 ACTIONS

 Climate change

1 ACTION

This plan responds to the **expectations identified by the Company's stakeholders**, among which we can highlight the following:

- Behave in an ethical and transparent manner.
- Encourage community development.
- Ensure that human rights are respected.
- Use water responsibly.
- Promote the fight against fraud and corruption.
- Make sure that the rights of the most vulnerable communities in areas of influence are respected.
- Build trust with communities, and encourage their development.
- Minimize environmental impact.
- Identify opportunities to avoid or minimize the damage caused by climate change.

94% of the actions included in this plan are linked to the variable remuneration system applied to Repsol's employees, which constitutes the Company's unequivocal commitment to the effective maximization of its contribution to sustainable development

2018 Sustainability Plan

Sustainable Development Goals



The **actions** that make up this **Plan** help support the United Nations' **2030 Agenda** by addressing the following Sustainable Development Goals (SDG):



Clean Water and Sanitation. This plan includes initiatives for the efficient and sustainable management of water resources in our operations (target 4).



Decent Work and Economic Growth. This plan includes initiatives aimed at increasing respect for labor rights, and promoting a safe work environment (target 8).



Reduced Inequalities. This plan promotes social and economic inclusion in the areas where we are operating; especially regarding the most vulnerable groups (target 2).



Responsible Consumption and Production. This plan describes projects that influence the efficient use of natural resources (target 2), the reduction of waste generation (target 5), as well as the adoption of sustainable practices (target 6).



Climate action. This plan includes measures for fighting climate change (target 2).



Life on land. This plan includes specific actions for protecting, restoring and promoting the sustainable use of terrestrial ecosystems and interior freshwater ecosystems, and the services they provide, particularly forests (target 1).



Peace, Justice and Strong Institutions. This plan commits to actions that are related to reducing violence (target 1), promoting ethics, responsibility, and transparency (targets 5 and 6), adopting inclusive and participatory decisions (target 7), and protecting fundamental freedoms (target 10).

At Repsol, we contribute to sustainable development...

We act with integrity in all countries in which we are present. Our ethical conduct involves strict compliance with both the letter and the spirit of the law.

On this axis, we establish the set of actions that ensure the Company promotes and encourages a **culture of integrity and responsibility** for all Repsol employees, as well as our suppliers, contractors, and business partners.

We also define **transparency and accountability** as differential elements in the Repsol sustainability model. To be credible, it must be consistently transparent.

In this Sustainability Plan, we have committed to actions that will help the Company overcome the challenges we have set for ourselves in this area, while responding to the main expectations of our stakeholders.



Good governance practices

Transparency

Responsible tax policy

Anti-corruption

Fair competition

Responsible political involvement

Fair marketing and sales



ACTION

Promote compliance with the Code of Ethics and Business Conduct.

DESCRIPTION

We will draw up the Ethics and Conduct procedure for Bolivia and make employees aware of its contents so they can apply it.

INDICATOR

Draw up the Ethics and Conduct procedure for the Bolivia BU.

Circulate it to employees via email until December 31st, 2018 and highlight the key aspects on signage.

WHAT HAVE WE ACHIEVED?



We have redefined this action, since the Corporate Ethics and Conduct Regulations is a valid document for this business unit, and therefore no local procedure needed approval. This was the document distributed to employees through different internal channels, thus achieving the established purpose.

CONTRIBUTION TO THE SDGs:



ACTION

Report on Repsol Bolivia's ethical, social, and environmental performance.

DESCRIPTION

We will continue providing insight into the Company's actions in Bolivia. The sustainability report will be circulated among its stakeholders.

INDICATOR

Publish and circulate the reports corresponding to the actions taken during the 2016–2017 and 2017–2018 periods.

WHAT HAVE WE ACHIEVED?



We have completed and published the 2016-2017 Repsol Bolivia Report. We are drawing up the corresponding 2017-2018 report. We thus fulfilled our commitment to report on our performance in different areas.

CONTRIBUTION TO THE SDGs:



At Repsol, we contribute to sustainable development...

Our employees, communities, commercial relations, and customers are a primary axis in our sustainability model.

We know that the **people that make up Repsol** are our main competitive advantage and the key to being a sustainable company. We are committed to equal opportunities, the integration of people with disabilities, multi-culturalism, work-life balance, training and development, and attracting and retaining talent.

Business operations are carried out in an increasingly demanding and informed social environment, and companies strive to **establish sound relationships** based on the principles of respect, cultural sensitivity, integrity, accountability, transparency, good faith, and non-discrimination with the people they interact with, particularly local communities. At Repsol, we are committed to continue respecting human rights, and this means preventing our activities from having negative consequences for local people and, if such a thing does occur, doing everything possible to repair the damage done.

This axis includes the following initiatives.



Respect for Human Rights (labor rights and employment conditions, health, rights of vulnerable groups and others)

Grievance mechanisms

Diversity and work-life balance

Climate and talent retention

Opportunity management (training and development, dialogue with communities, and social investment)



ACTION

Support the Plurinational State of Bolivia and the security forces in the execution of the project regarding the 1954 Hague Convention for the Protection of Cultural Property in the Event of Armed Conflict.

DESCRIPTION

Together with the Ministry of Culture and Tourism, we will execute the initial phase of identifying the cultural property to be protected in the event of an armed conflict. The Ministry must define the place where this project will begin.

INDICATOR

Identify the first 50 cultural properties and define an action plan for the coming years alongside the Ministry.

Promote the dissemination of key concepts relating to the protection of cultural property in coordination with the Ministry.

WHAT HAVE WE ACHIEVED?



We have begun the process of identifying cultural property, achieving the target of 50 for the first year.

We are now drawing up and defining the dissemination plan for this program together with the Armed Forces and Ministry of Cultures.

CONTRIBUTION TO THE SDGs:



ACTION

Share, on an institutional level, the commitments and programs undertaken in human rights with trade groups and organizations.

DESCRIPTION

We will continue to disseminate the commitments undertaken by the Company in this regard, particularly in the different chambers of commerce in which we participate, such as the Santa Cruz Chamber of Industry, Trade, Services, and Tourism (Cainco) and the Bolivian Private Business Confederation (CEPB), etc.

INDICATOR

Have three meetings and engage the management levels of these institutions.

WHAT HAVE WE ACHIEVED?



We have held meetings with different management levels of unions and their members. We thus achieved a greater understanding of our commitments and programs we are running related to human rights.

CONTRIBUTION TO THE SDGs:



ACTION

Formalize Corporate Volunteering in the Repsol Bolivia Business Unit.

DESCRIPTION

We will carry out the necessary actions to create and consolidate Corporate Volunteering, which will lead to the approval of the bylaws and regulations, as well as making it a legal entity.

INDICATOR

Obtain legal entity status and name the first board of directors.

Develop a project with volunteer participation.

WHAT HAVE WE ACHIEVED?



We have created the INTEGRA Corporate Volunteering program, which now comprises over 50 members and has already selected its first directory. It is in the final stages of the process for creating a legal person, which is expected to conclude in the first half of 2019. In 2018, the improvement and equipment project at the San Lorenzo Home was carried out with the participation of numerous volunteers.

CONTRIBUTION TO THE SDGs:



ACTION

Manage the social risks identified in the Bolivia Business Unit to strengthen our strategy with the communities.

DESCRIPTION

Manage the social risks identified in the Bolivia Business Unit to strengthen our strategy with the communities.

INDICATOR

Implement 100% of the actions identified in the social risk matrix.

WHAT HAVE WE ACHIEVED?



We have executed all (100%) of the actions identified in the Social Risk Matrix and completed applicable actions in each project that had no previously set timeframe.

CONTRIBUTION TO THE SDGs:



ACTION

Provide training on Human Rights (HR) and International Humanitarian Law (IHL) to members of the Bolivian State Security Forces.

DESCRIPTION

We will provide training to members of the Bolivian State Security Forces to prevent potential violations of Human Rights and International Humanitarian Law in their work to protect Bolivia's natural resources on a national level, and with a special focus on the blocks operated by Repsol in the country.

INDICATOR

Give two HR and IHL courses for members of the State Security Forces.

Give a course on IHL in Sanremo to 12 members of the State Security Forces.

WHAT HAVE WE ACHIEVED?



We have completed two courses in Sucre and Cochabamba for preventing possible violations of humans rights and international humanitarian law in actions carried out by members. One hundred and sixty-one (161) officials and sub-officials of the Armed Forces and 10 members of the Red Cross attended. Also 10 members of the Bolivian Army and three from the Air Force attended the course on international humanitarian law in Sanremo.

CONTRIBUTION TO THE SDGs:



ACTION

Implement improvements to incident reporting channels at an operational level to respond to the concerns and complaints of communities living in surrounding areas.

DESCRIPTION

Using the lessons learned since 2011, we will implement improvements in incident reporting channels at an operational level to respond to any potential damage caused by the company's activities.

INDICATOR

Publish the incident reporting channel procedure in the regulations publisher.

WHAT HAVE WE ACHIEVED?



We have participated in drawing up the Procedure for Grievance Mechanisms. This document is presently in the validation and approval phase and its final version will be published during 2019.

CONTRIBUTION TO THE SDGs:



ACTION

Promote social inclusion through two social projects implemented in the Caipipendi Asset.

DESCRIPTION

We will support two productive projects to promote gender equality that will be linked to food safety and profit generation.

INDICATOR

Develop and implement two business plans in the Caipipendi Asset.

WHAT HAVE WE ACHIEVED?



We have consolidated three production projects in communities within the area of influence of Caipipendi, with a majority participation of women and linked to food safety and security, and the generation of profit. We achieved excellent participation and use of local resources through training in communities and the drawing up of business plans for projects of arts and crafts, honey production and laying hens.

CONTRIBUTION TO THE SDGs:



ACTION

Perform a study to analyze the feasibility of incorporating people with disabilities into the Bolivia BU.

DESCRIPTION

We will analyze the types of disabilities that exist in Bolivia, the institutions that represent them, the level of training, and the applicable legislation in the country, and we will also consider the positions in the Bolivia BU that could be filled by people with some kind of disability, bearing in mind the Company's current facilities. A benchmark analysis will be conducted to look at how this is being done in other companies in the industry and identify the best practices.

INDICATOR

Present report by December 31st, 2018.

Perform industry benchmark analysis by December 31st, 2018.

WHAT HAVE WE ACHIEVED?



We have drawn up a report on the situation of the inclusion of disabled persons in the country, in which we included an analysis of the Company's facilities to be able to employ this group. We have also conducted sector benchmarking for this matter.

CONTRIBUTION TO THE SDGs:



ACTION

Promote work-life balance for employees at the Bolivia BU.

DESCRIPTION

We will continue promoting the tools that facilitate work-life balance by following the vacation schedule, supported by the intern program when necessary.

INDICATOR

Implement a vacation schedule in 100% of management positions.

Meet 90% of the vacation schedule.

WHAT HAVE WE ACHIEVED?



We have drawn up and presented a vacation schedule for all managers at Repsol Bolivia, achieving 91% compliance.

CONTRIBUTION TO THE SDGs:



At Repsol, we contribute to sustainable development...

In pursuit of our goal of **Zero Accidents**, we demand a high level of safety in our processes and facilities, paying special attention to the protection of the people and the environment around us. We apply stringent measures during the design and maintenance of our facilities. We carry out risk analyses following best practices at the international level, manage our response to emergencies efficiently, and provide appropriate training to our employees. In addition, we consider anticipative safety measures key to preventing major industrial accidents.

When we speak about safety, we do not limit ourselves to our facilities, but also refer to raising awareness among **our suppliers and contractors**.

Our commitment in this area is evidenced by the fact that safety objectives determine our **employee's performance-based compensation** by anywhere from 10% to 20%.

Below, we list the actions that show our commitment to safety and our goal of Zero Accidents.

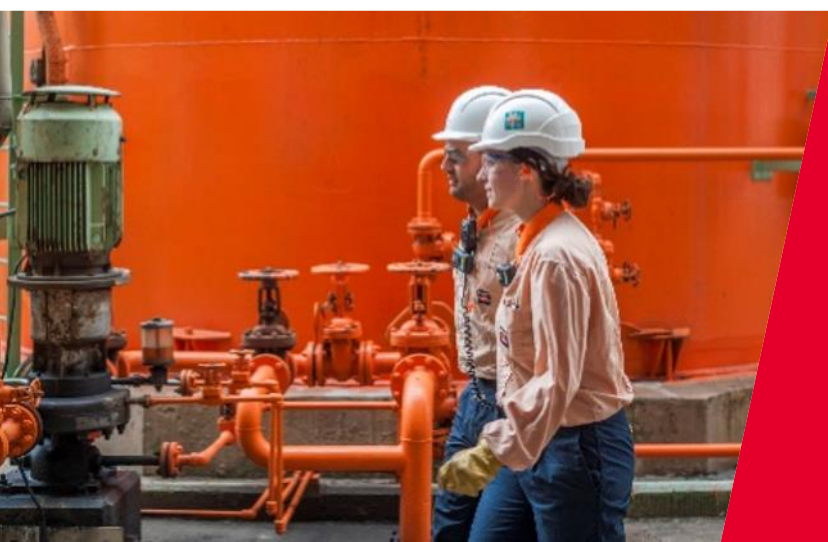


Prevention of personal, process,
and transportation accidents

Incident Management

Emergency management

Safety in product use



ACTION

Improve safety performance, evaluating the effectiveness of barriers and the competencies associated with critical safety tasks.

DESCRIPTION

We will evaluate the effectiveness of the critical safety and environment elements of the surface facilities in Caipipendi and will assess the competencies associated to the critical safety tasks identified in the Bow Tie risk assessment.

INDICATOR

Evaluate the effectiveness of 100% of the barriers defined in the Bow Tie risk assessment of the Caipipendi asset.

Evaluate 80% of the critical safety tasks defined in the risk assessment.

WHAT HAVE WE ACHIEVED?



We have assessed the effectiveness of all barrier groups identified in the risk analyses of the Caipipendi asset, with a total of 25 barriers. We have drawn up terms of reference for commissioning the service for assessing critical safety tasks in the risk analysis, and are now in the tendering process. The assessment campaign will begin in February 2019 and last for approximately six months.

CONTRIBUTION TO THE SDGs:



ACTION

Improve the emergency response and recovery capacity after an impact from any undesired event.

DESCRIPTION

We will conduct a review of the response capacity in the event of spills at the Caipipendi and Mamoré Assets and we will perform a drill activating the Business Unit's emergency organization.

INDICATOR

Review the response capacity in the event of spills in the Caipipendi Asset using industry-recognized methodologies.

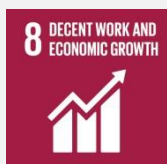
Conduct a scheduled drill that activates the on-site response team, the incident management team, and the business support team.

WHAT HAVE WE ACHIEVED?



We have begun work on the service commissioned for this purpose, though the review of the response capability in case of spills at the Caipipendi asset will be carried out during the first quarter of 2019. In the Boyuy X2 drilling project, we have ran a drill requiring the activation of the site response, incident management and business support teams, thus enabling us to incorporate new improvement actions.

CONTRIBUTION TO THE SDGs:



At Repsol, we contribute to sustainable development...

At Repsol, we share society's concern regarding the need to care for the environment in which we live. We seek to **minimize the impact of our operations** by adopting a low-emissions strategy, optimizing water management, reducing the contaminant load of spills, managing waste appropriately, improving prevention and response systems during spills, and considering biodiversity to be a key component.

We've taken on the commitment to use the resources involved in our operations efficiently and in a more circular fashion. In 2016, Repsol set a new challenge: to seek Circular Economy opportunities that promote the sharing economy and represent an alternative to the linear economy of extracting, using, and throwing away.

This Sustainability Plan includes commitments to actions in step with the lines of work that Repsol has set on this axis of sustainability.



Efficient management of natural
resources

Environmental impact
minimization



ACTION

Improve our environmental performance by identifying the requirements that need to be reinforced.

DESCRIPTION

We will compare the performance of all new drilling projects in 2018 with the environmental requirements required by the Company's internal regulations and adapted to internationally recognized minimum environmental standards for hydrocarbon Exploration and Production operations.

INDICATOR

Perform and issue the gap analysis of the Huacaya 2 and Boyuy X-2 drilling projects.

WHAT HAVE WE ACHIEVED?



In May 2018, during the well cleaning and testing at Huacaya 2, we conducted and issued the analysis of differences compared to the environmental requirements established by Company internal rules and regulations. We could not carry out this work at Boyuy X2 because the drilling was extended. The report will be published in the first half of 2019.

CONTRIBUTION TO THE SDGs:



ACTION

Implement the Biodiversity Action Plan for the Caipipendi Area to identify our main impacts so that we can mitigate them.

DESCRIPTION

We will continue with the actions outlined in the Biodiversity Action Plan for the Caipipendi Area that was approved in 2015 to be implemented over a five-year period. The aim here is to systematically manage matters relating to biodiversity throughout the life cycle of the activities carried out in the Caipipendi Area, including the projects.

INDICATOR

Support research, conservation, education, and/or awareness-raising projects relating to biodiversity in the area.

Issue the report on the hydrogeological survey of the Caipipendi Area.

Issue the report on the detailed study of the vegetation units identified.

Develop qualitative and/or quantitative indicators to monitor key parameters.

Include the biodiversity impact assessment in the EIAs (environmental impact assessments) performed in the Caipipendi Area.

WHAT HAVE WE ACHIEVED?



We have progressed in each of the committed aspects, particularly in identifying and defining a biodiversity conservation project at the Caipipendi asset. We have made progress in the hydrogeological report and issued the report on units of identifiable vegetation. We worked on developing monitoring indicators and incorporating a biodiversity impact assessment in environmental impact assessments.

CONTRIBUTION TO THE SDGs:



ACTION

Implement the Water Action Plan to improve water management.

DESCRIPTION

We will continue with the implementation of the Water Action Plan (2015-2020), which is aimed at optimizing the management of this resource. We will perform the hydrogeological study of the Caipipendi asset, we will carry out hydrological balances of our water management and we will identify improvement actions.

INDICATOR

Issue an overview and indicators on water management.

Issue the report on the hydrogeological survey of the Caipipendi asset.

Identify improvement actions to optimize water consumption.

WHAT HAVE WE ACHIEVED?



We have issued the water management balance and indicators for the assets Caipipendi, Mamoré and Monteagudo, in addition to the report on the hydrogeological study of Caipipendi. We have identified and executed improvement actions for optimizing water consumption. This has resulted in improvements in different operated areas, with a clear recovery an use of water in different activities.

CONTRIBUTION TO THE SDGs:



ACTION

Mitigate the environmental impact of our operations.

DESCRIPTION

We will work both on and off the field to continue identifying and defining environmental impacts within the Bolivia Business Unit to improve the mitigation process.

INDICATOR

Define 100% of environmental alterations.

WHAT HAVE WE ACHIEVED?



We characterized all the identified environmental situations at our Business Unit (10 in total) and issued action plans to remedy each one.

CONTRIBUTION TO THE SDGs:



At Repsol, we contribute to sustainable development...

Repsol actively shares society's concern for the **effect that human activity is having on the climate**. Our challenge is to supply energy in a safe, efficient, and accessible manner, reducing greenhouse gas (GHG) emissions.

To do so, we have made a commitment to **use energy efficiently** at our facilities and in our operations. We have implemented energy management systems that comply with the ISO-50001 standard at our facilities, along with plans to reduce GHG emissions, and our aim is to reduce CO₂e emissions by 5 million metric tons every year from 2005 to 2020.

We encourage the use of **natural gas** to impel an orderly transition to a low-emission future, as well as the **capture, use, and storage of carbon** as a means of mitigating climate change. Repsol is part of the Oil and Gas Climate Initiative (OGCI), which aims to share the best practices and technological solutions, and the OGCI Climate Investment fund, which will invest \$1 billion over the next 10 years to finance the development of GHG emission-reducing technologies.

Below, we list the actions in the Sustainability Plan related to this axis.



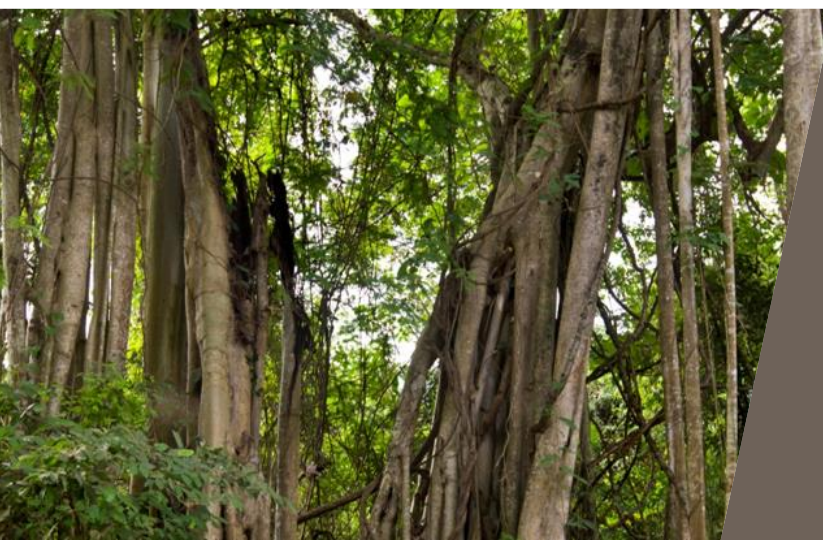
Efficient energy management

Drive the reduction of GHG emissions

Encourage the use of natural gas in electricity generation

Sustainable mobility

Low-emissions economy model



ACTION

Cut greenhouse gas emissions at the Huacaya 2 well test.

DESCRIPTION

We will reduce greenhouse gas emissions at the Huacaya 2 well test by sending the hydrocarbon that is produced to the Margarita processing facilities. This will prevent gas combustion at the well site.

INDICATOR

Obtain external verification of the emissions reduction at the Huacaya 2 well test, in accordance with ISO 14064.

WHAT HAVE WE ACHIEVED?



We have reduced greenhouse gas emissions in the well test at Huacaya 2, sending the produced hydrocarbon to the Margarita processing facilities. Doing so avoided the combustion of gas where the well is located. We will have external validation according to ISO 14064 in March 2019 during inventory verification at the Caipipendi asset.

CONTRIBUTION TO THE SDGs:



3 Process of updating the Plan



This Sustainability Plan is a dynamic document.

Each year we will give an account of the extent to which the actions that make up this Plan have been carried out by publishing a monitoring report.

Moreover, given that the expectations of our stakeholders and the issues that concern them are changeable and subject to the evolution of events during the course of the year, this Plan will be updated annually with new actions or the reformulation of existing ones to adapt them to the new situation.

The successive updates of the plan will leave behind them a trail of completed actions that, collectively, are a contribution of our Company to sustainable development.



