



2013-2014

Sustainability Plan for Bolivia

Contents

Legal Notice	2
Corporate Responsibility vision and the development of this Plan.	3
Stakeholders' expectations and the corresponding actions of the Plan.	7
Programme 1: Organisational Governance.	7
Programme 2: Human Rights.	11
Programme 3: Labour practices.	14
Programme 4: The Environment	16
Programme 5: Fair operating practices	18
Programme 6: Community involvement and development	24
Process of updating the Plan.	30

LEGAL NOTICE

The 2013-2014 Sustainability Plan for Bolivia includes a number of actions conceived by Repsol and intended to contribute to sustainable development. Repsol is committed to carrying out in their entirety those actions in the sustainability plan that must be carried out by law, reserving the right to modify, postpone or cancel other actions that are carried out voluntarily, without this entailing any responsibility on the part of Repsol.

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Corporate Responsibility vision and the development of this Plan

Sustainable development is a responsibility shared by political, social and economic actors that requires decided action.

In Repsol, we understand Corporate Responsibility as the contribution of major companies to sustainable development. We consider that the essence of Corporate Responsibility is the incorporation of environmental and social aspects into the decision making processes of organisations.

We contribute to development by supplying energy that is essential for the realization of people's fundamental rights.

Furthermore, we aspire to contribute to this sustainable development through our Corporate Responsibility vision that is the responsibility that we voluntarily assume, beyond what is demanded by law due to the impact that our activities might have on society and the environment and that, in response to the expectations of our stakeholders with regards to our activity, developing practices that maximize the positive impacts and prevent, mitigate, repair or compensate the negative ones.

We have identified the expectations that our stakeholders have on issues related with governance, the respect of Human Rights, labour practices, environmental impacts, the legitimacy of our operating and value chain practices; and concerning issues that affect the consumers and users of our products and services, as well as the positive and negative impacts that could be generated in local communities.

The identification of these expectations, at a global level, has been carried out through an analysis of four international standards that currently make up the broadest international consensus on acceptable behaviour for a multinational company:

- United Nations Guiding Principles on Business and Human Rights.
- The International Standard ISO 26000: Guidance on Social Responsibility.
- OECD Guidelines for Multinational Enterprises.
- The International Finance Corporation (IFC) Sustainability Framework Performance Standards.

In addition, we have developed a materiality study or relevant issues study, for the company's stakeholders in Bolivia, based on the following sources:

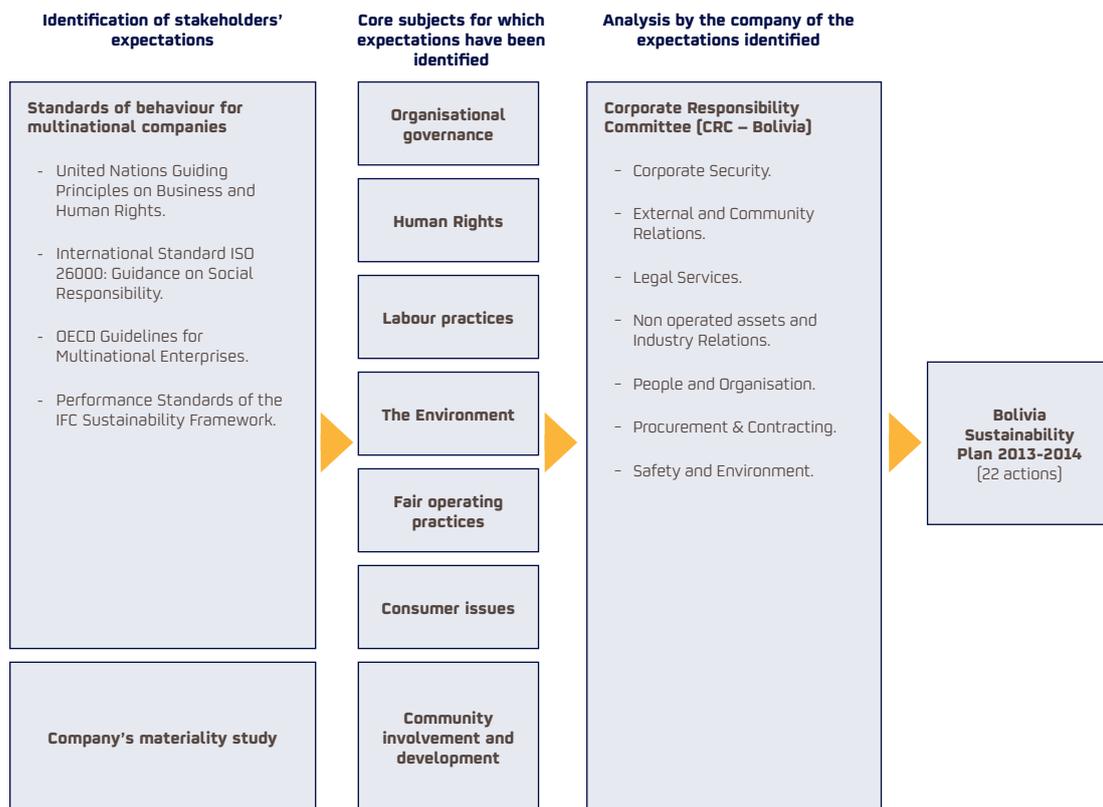
- Interviews with organisations of reference in Bolivian civil society that belong, fundamentally, to the academic field: environmental, social and ethical NGOs; indigenous organisations; and Trade Unions.
- Interviews with representatives of public administrations with the relevant competencies for Repsol's activities.
- Interviews with the organisations belonging to the company's value chain in the country, such as commercial suppliers and business partners.
- National and international press articles related with oil and gas activities in Bolivia.
- Study of the principal concerns of the populations and the worst rated aspects of neighbouring communities.
- Conclusions of the Social Performance Review (SPR) conducted in Bolivia, Caipipendi Block.
- Interviews with the company's employees.
- Working climate studies performed in the country.

The set of expectations obtained from the four international standards and the expectations identification study amounted to around one hundred. After an analysis and consolidation process, the results have been studied by Bolivia's Corporate Responsibility Committee, chaired by Repsol's Business Unit Director in Bolivia and formed by executive and managerial level representatives from the following businesses and units in the country:

- Corporate Security.
- External and Community Relations.
- Legal Services.
- Non operated assets and Industry Relations.
- People and Organisation.
- Procurement & Contracting.
- Safety and Environment.

With this exercise, we have been able to formally and systematically introduce the expectations of stakeholders in Bolivia into the company's decision making processes, which is the key aspect of Corporate Responsibility.

-Introduction of stakeholders' expectations into the company's decision making processes-



The result of this analysis is the current 2013-2014 Sustainability Plan for Bolivia, an updated version of the previous plan that, like that one, is a public document. The degree to which its commitments are fulfilled will be assessed annually and communicated to society in the form of an annual monitoring report.

This plan consists of 22 specific short-term actions (2013-2014) with the corresponding indicators to measure their implementation, grouped into six programmes that correspond with six of the seven Social Responsibility core subjects issues described by the international standard ISO 26000 - Guidance on Social Responsibility - and which are the seven areas in which any company is more likely to generate an ethical, environmental and social impact.

With respect to the programmes, those concerning Fair operating practices and Community involvement and development have been the ones that involve the greatest number of actions:

-Distribution of the actions of the Bolivia Sustainability Plan
by action programmes-

Programmes	Number of actions
Organisational governance	5
Human Rights	2
Labour practices	1
The Environment	1
Fair operating practices	8
Community involvement and development	5

The 2013-2014 Sustainability Plan for Bolivia is not Repsol's only contribution to sustainable development but is complemented with actions considered in the Corporate Sustainability Plan, as well as those concerning countries or specific operating centres that are included in our respective Sustainability Plans.

86% of the actions included in this plan are linked to the variable remuneration system for Repsol's employees, which constitutes an unequivocal commitment on the part of the company with the effective maximisation of its contribution to sustainable development.



Stakeholders' expectations and the corresponding actions of the Plan

Programme 1

Organisational Governance

Organisational governance is the system the company uses to make and implement decisions to achieve its objectives. It is, therefore, a decisive factor when it comes to integrating Corporate Responsibility principles into all of its activities and transmitting them to its value chain.

In order to respond to stakeholders' expectations in the field of Governance, Repsol has specific management systems in place which are available at the corporate website **repsol.com**.

Furthermore, the company has added five actions to the current Sustainability Plan in an attempt to strengthen its response to the principal expectations, such as those indicated below.

-Actions included in the Governance programme and a summary of the principal expectations that contribute to respond to them-

Governance Programme	
<p>Expectation: Integrate CSR into the company's strategy in the country.</p>	<p>Expectation: Balance the needs of the organisation and its stakeholders in the decision making process, including immediate needs and those of future generations.</p>
<p>Expectation: Inform stakeholders on the company's operations with transparency.</p>	<p>Expectation: Highlight the value of the company's good social performance in the country.</p>
<p>Actions included in the programme:</p> <ol style="list-style-type: none"> 1. Communicate on our ethical, social and environmental performance in Bolivia. 2. Identify the perceptions that stakeholders have of Repsol in Bolivia. 3. Be accountable for our ethical, social and environmental performance in Bolivia. 4. Disseminate information in the Bolivian Business Unit on the updating of the Group's Ethics and Conduct Regulation, that establishes the general guidelines that must govern the conduct of Repsol and all of its employees. 5. Promote Corporate Responsibility among the employees of the Bolivian Business Unit. 	

- **Expectation: Integrate CSR into the company's strategy in the country.**

The aligning of our professionals with the company's new values is a key aspect for the effective integration of Corporate Responsibility principles into Repsol's strategy.

In this regard, in recent years, the company has launched various initiatives in Bolivia, to which it has added two new actions in the context of the current Sustainability Plan.

The first of these, to *disseminate information in the Bolivian Business Unit on the updating of the Group's Ethics and Conduct Regulation, that establishes the general guidelines that must govern the conduct of Repsol and all of its employees*, will serve to raise the awareness of the whole workforce of the need to incorporate, in their daily activities, the guidelines for conduct included in the Regulation; in this way, promoting a change in attitudes to align them with the new corporate values and culture.

The action will be implemented during the 2013-2014 period, with a specific internal communication plan being designed for it.

Additionally, Repsol will launch a second action *to promote Corporate Responsibility among the employees of the Bolivian Business Unit*, as part of which a programme for the dissemination of the company's Corporate Responsibility regulations and commitments to its employees will be carried out.

- **Expectation: Balance the needs of the organisation and its stakeholders in the decision making process, including immediate needs and those of future generations.**

One of the key aspects of Repsol's Corporate Responsibility model consists in knowing the expectations, the needs and the opinions its stakeholders have in relation to its activities, with the aim of taking them into account in the organisation's decision making processes.

In this context, the company has included an action in the Sustainability Plan to *identify the perceptions that stakeholders have of Repsol in Bolivia*.

With this, the company will carry out a perceptions study that will permit it to know how its stakeholders consider its image in the country. This will be carried out during 2013 and will permit the guiding of future decision making processes in the company.

- **Expectation: Inform stakeholders on the company's operations with transparency.**

As well as knowing the opinion of stakeholders, Repsol will work within the framework of the Sustainability Plan on an action to *communicate on our ethical, social and environmental performance in Bolivia*, for which it will develop a comprehensive communication plan that identifies the principal groups to reach and the most adequate channels and media to use in order to communicate.

The Plan will be presented to the country's Corporate Responsibility Committee so that it may be implemented during 2013.

- **Expectation: Highlight the value of the company's good social performance in the country.**

Finally, and with the aim of achieving two objectives (to be accountable to stakeholders for its behaviour and to highlight the good performance of the company in the country), Repsol has included an action in the Plan to *be accountable for our ethical, social and environmental performance in Bolivia*.

Therefore, for another year, the company will develop and publish the specific Bolivian Corporate Responsibility Report, with which it will transmit to its stakeholders the necessary information to respond to their principal expectations for information on the company's activities, as well as on the principal social and environmental advances made.

Specific information on each of the actions included in the Governance programme of the current Plan is included in the tables below. These tables are sorted in chronological order according to the expected calendar for the implementation of the actions. The order, therefore, may not coincide with that indicated in this introduction:

ACTION	Identify the perceptions that stakeholders have of Repsol in Bolivia.
DESCRIPTION	We carry out a perceptions study with the aim of knowing to what extent Repsol's image is valued.
INDICATOR	Study carried out.
YEAR IMPLEMENTED	2013
ACTION	Be accountable for our ethical, social and environmental performance in Bolivia.
DESCRIPTION	We will develop and publish Repsol's 2012-2013 Corporate Responsibility Report for Bolivia that will respond to our stakeholders' expectations.
INDICATOR	Report published.
YEAR IMPLEMENTED	2013

ACTION	Communicate on our ethical, social and environmental performance in Bolivia.
DESCRIPTION	We will develop a comprehensive communication plan, in which the different audiences, the most appropriate channels and the media through which communications will be carried out will be identified.
INDICATOR	Plan presented to the Bolivian Corporate Responsibility Committee [CRC].
YEAR IMPLEMENTED	2013
ACTION	Disseminate information in the Bolivian Business Unit on the updating of the Group's Ethics and Conduct Regulation, that establishes the general guidelines that must govern the conduct of Repsol and all of its employees.
DESCRIPTION	<ul style="list-style-type: none"> - We will disseminate the contents of the Regulation among all employees. - We will raise the awareness of employees of the need to incorporate in their daily activities, the guidelines for conduct included in the Regulation and Corporate Culture. - We will promote a change in attitudes and conduct among employees in order to align them with the new values and with the Corporate Culture.
INDICATOR	Development of communication plan and its execution.
YEAR IMPLEMENTED	2013-2014
ACTION	Promote Corporate Responsibility among the employees of the Bolivian Business Unit.
DESCRIPTION	We will carry out a programme for the dissemination of information among employees on the company's standards and commitments regarding Corporate Responsibility issues.
INDICATOR	Number of employees trained.
YEAR IMPLEMENTED	2013

Programme 2

Human Rights

Among Human Rights, there are some that are well known, such as the right to life and liberty, to equality and non-discrimination, to education, to freedom of belief, expression and movement, to proper living and working conditions; and there are others that are less well known, such as the right to rest, to privacy and to form a family.

States and companies play different roles in the common effort in favour of Human Rights. While States have the duty to protect Human Rights against those who infringe them, companies have the responsibility to respect Human Rights throughout their operations. This means acting with due diligence to avoid interfering with the degree to which people enjoy these rights and addressing any potential adverse impacts if these occur.

In order to respond to stakeholders' expectations in the area of Human Rights, Repsol has specific management systems in place which are available at the corporate website **repsol.com**.

Furthermore, two actions have been assigned to this subject in the current Sustainability Plan, which are aimed at responding to the principal expectations of the company's stakeholders.

-Actions included in the Human Rights programme and a summary of the principal expectations that contribute to respond to them-

Human Rights Programme

Expectation: Exercise Human Rights due diligence in order to identify, prevent, mitigate and be accountable for its impacts on Human Rights, as well as how the company addresses them.

Expectation: Adequately train security personnel (employees, contracted or sub-contracted) on adhering to Human Rights regulations.

Actions included in the programme:

1. Implement the Human Rights due diligence process.
2. Provide training on the voluntary principles on security and Human Rights, and on health and safety, and the Environment (HSE) to the security personnel contracted by Repsol Bolivia.

- **Expectation: Exercise Human Rights due diligence in order to identify, prevent, mitigate and be accountable for its impacts on Human Rights, as well as how the company addresses them.**

In order to respond to this expectation, the company will launch an action during 2013 to *implement the Human Rights due diligence process*, with which it will carry out an evaluation of this type of risk in the Caipipendi and Mamore Blocks.

- **Expectation: Adequately train security personnel (employees, contracted or sub-contracted) on adhering to Human Rights regulations.**

The conduct of security personnel that operate in the name of the company is an activity that represents a high level of sensitivity from the point of view of preventing possible Human Rights impacts.

For this, in parallel with the other systems that already operate in the company in this regard, Repsol has launched an action in the current Plan to *provide training on the voluntary principles on security and Human Rights, and on health and safety, and the Environment (HSE) to the security personnel contracted by Repsol Bolivia*.

Therefore, during the 2013-2014 period, the company will continue providing training to this personnel according to the approved plan, which contemplates finishing, in 2013, the training of all security guards working in our facilities in the city; and in 2014, extending the training to the security personnel contracted in our production operations in the Mamore, Cambeiti and Monteagudo fields.

Specific information on each of the actions included in the Human Rights programme of the current Plan is included in the tables below. These tables are sorted in chronological order according to the expected calendar for the implementation of the actions. The order, therefore, may not coincide with that indicated in this introduction:

ACTION	Implement the Human Rights due diligence process
DESCRIPTION	We will carry out an evaluation of the Human Rights risks that exist in the Caipipendi and Mamore blocks, for a better management of our community relations.
INDICATOR	Human Rights Impact Assessment according the internal norm on Environmental, Social and Health Impact Assessments (ESHIA).
YEAR IMPLEMENTED	2013

ACTION	Provide training on the voluntary principles on security and Human Rights, and on health and safety, and the Environment (HSE) to the security personnel contracted by Repsol Bolivia.
DESCRIPTION	<p>During the years 2013 and 2014 we will continue with the training of security personnel that was started in the year 2012, according to the training plan elaborated.</p> <p>In the year 2013, we will complete the training of all security guards working in our facilities in the city.</p> <p>In 2014, we will train the security personnel contracted in our production operations in the Mamore, Cambeiti and Monteagudo fields.</p>
INDICATOR	<ul style="list-style-type: none"> - Report on the results of the evaluation of the training. - Certificates given out for the training provided.
YEAR IMPLEMENTED	2013-2014

Programme 3

Labour practices

The term labour practices encompass all policies and practices related to the work performed within, by or on behalf of the company, such as the working time, remuneration, the recruitment and promotion of workers; disciplinary and grievance procedures, the transfer and relocation of workers; the termination of employment, training and skills development, and health, safety and industrial hygiene.

Labour practices also include the representation and participation in collective bargaining, social dialogue and tripartite consultations to address social issues related to employment.

In order to respond to stakeholders' expectations in the subject of labour practices, Repsol has specific management systems in place which are available at the corporate website **repsol.com**.

Furthermore, one action has been assigned to this subject in Sustainability Plan, which is aimed at responding to the principal expectations of the company's stakeholders as indicated below.

-Actions included in the Labour practices programme and a summary of the principal expectations that contribute to respond to them-

Labour Practices Programme

Expectation: Provide working conditions to all workers that permit, as far as possible, the reconciliation of family and working life.

Actions included in the programme:

1. Implement the telecommuting programme, promoting a work-life balance in the Bolivian Business Unit.

- **Expectation: Provide working conditions to all workers that permit, as far as possible, the reconciliation of family and working life.**

During the period covered by the existing Plan, Repsol will advance in the launching of an action to *implement the telecommuting programme, promoting a work-life balance in the Bolivian Business Unit.*

For this, in 2013, the company will carry out various analyses with respect to how it can apply such actions as, evaluating what roles are suited to the programme, obtaining experience of the measure's launch in other countries or the elaboration of a procedure and rules for its implementation.

Once this initial phase has been completed, it is foreseen that the programme will be launched in 2014.

Specific information on this action included in the Labour practices programme of the current Plan is included in the table below:

ACTION	Implement the telecommuting programme, promoting a work-life balance in the Bolivian Business Unit.
DESCRIPTION	<ul style="list-style-type: none"> - We will perform an analysis of the job roles that are appropriate for the telecommuting programme. - We will take into account the experience of other countries in the Pacific Regional Unit where the programme has already been implemented; we will coordinate with each Manager of the Bolivian Business Unit to validate the job roles that are appropriate for participation in the programme. We will determine, with the computer systems department, the technological needs, media and licenses that are required to apply the programme. - We will present the project to the different internal bodies for approval. - We will develop a procedure/set of rules for the carrying out of telecommuting in the Bolivian Business Unit. - We will design a communication and information dissemination campaign for the employees of the Business Unit. - We will implement the programme during the year 2014.
INDICATOR	<ul style="list-style-type: none"> - Analysis report carried out by 31/12/2013. - Number of people participating in the telecommuting programme by 31/12/2014.
YEAR IMPLEMENTED	2013-2014

Programme 4

The Environment

Today society faces a significant number of environmental challenges that vary from global problems like climate change or the depletion of natural resources, to other local problems that, nevertheless, can have an important impact on the environment where they occur. These include air or water pollution, the generation of waste or the destruction of ecosystems and biodiversity.

The activity of companies invariably contributes to some of these impacts. And these issues have special relevance in sectors such as oil and gas that are characterised by the carrying out of extractive or industrial activities in large installations.

Therefore, it is necessary that companies identify options that enable them to prevent these impacts, minimise them when unavoidable and correct them.

In order to respond to stakeholders' expectations in the subject of the Environment, Repsol has specific management systems in which are available at the corporate website **repsol.com**.

Additionally, Repsol has included another action in the Plan to respond to these expectations.

-Actions included in the Environmental programme and a summary of the principal expectations that contribute to respond to them-

Environmental Programme

Expectation: Evaluate and take into account, when taking decisions, the foreseeable impacts related with the Environment, health and safety that are associated with the company's procedures and property.

Actions included in the programme:

1. Evaluate the social and environmental impacts in the "Development of the Caipipendi Area" in Bolivia.

- **Expectation: Evaluate and take into account, when taking decisions, the foreseeable impacts related with the Environment, health and safety that are associated with the company's procedures and property.**

Within the framework of this expectation, Repsol has included an action in the plan to evaluate the *social and environmental impacts in the "Development of the Caipipendi Area" in Bolivia*.

Through this action, a baseline social, environmental and biodiversity study will be carried out in the Caipipendi area of operations (Margarita and Huacaya), applying the Corporate Norm for Environmental, Social and Health Impact Assessments. This will permit the company to generate specific technical recommendations to improve its social and environmental management, and to document the needs for the conservation of biodiversity.

Specific information on this action included in the Environmental programme of the current Plan is included in the table below:

ACTION	Evaluate the social and environmental impacts in the “Development of the Caipipendi Area” in Bolivia.
DESCRIPTION	We will carry out a baseline social, environmental and biodiversity study in the Caipipendi area of operations (Margarita and Huacaya), applying the Corporate Norm for Environmental, Social and Health Impact Assessments. This will permit the generation of specific technical recommendations to improve its social and environmental management, and to document the needs for the conservation of biodiversity.
INDICATOR	Study handed in by 31/12/14.
YEAR IMPLEMENTED	2013-2014.

Programme 5

Fair operating practices

Fair operating practices refer to the way in which organisations dealing with others such as business partners, suppliers, contractors, customers, competitors, associations to which they belong, and government agencies and departments.

When ensuring that these relations are carried out in a fair manner, companies have to adapt their practices to criteria such as the prevention of corruption, responsible participation in the public sphere, the defence of fair competition, maintaining responsible behaviour, the respect of the right to property and, in general, the establishing of fair and transparent relationships with other organisations.

In order to respond to the company's stakeholders' expectations in this subject, Repsol has specific management systems in place which are available at the corporate website **repsol.com**.

Additionally, as part of the Sustainability Plan for Bolivia, the company has included another eight actions in this subject to respond to some of the expectations mentioned, such as those indicated below.

-Actions included in the Fair operating practices programme and a summary of the principal expectations that contribute to respond to them-

Fair Operating Practices Programme	
<p>Expectation: Prevent corruption and show no tolerance of cases of corruption that could occur.</p>	<p>Expectation: Integrate ethical, social, environmental, gender equality and health and safety criteria into the company's purchasing policies and practices.</p>
<p>Expectation: Guarantee compliance with high social, environmental and ethical standards in the supply chain through a continuous monitoring process.</p>	<p>Expectation: Actively participate in raising awareness in the organisations with which the company operates, with respect to CSR issues.</p>
<p>Expectation: Ensure that third parties contracted by the company are legitimate companies whose integrity has been recognised and that have an adequate environmental and social management system.</p>	
<p>Actions included in the programme:</p> <ol style="list-style-type: none"> 1. Implement mechanisms that evaluate and control internal corruption risks and those posed by our relations with third parties and the supply chain. 2. Incorporate ethical, environmental and Human Rights issues in the rating process for our suppliers in Bolivia. 3. Analyse and promote the Corporate Responsibility practices of our suppliers and contractors in Bolivia. 4. Promote the accomplishment of the Corporate Responsibility Plan of <i>Yacimientos Petrolíferos Fiscales Bolivianos</i> (YPFB) - Andina. 5. Promote Corporate Responsibility among the contractors of the Bolivian Business Unit. 6. Contribute to improve the safety and environmental performance of service providers in the assets operated by Repsol. 7. Hold dialogues with suppliers in order to agree on contracting models for the contracting of services. 8. Ensure our contractors' compliance with the labour obligations concerning their employees. 	

- **Expectation: Prevent corruption and show no tolerance of cases of corruption that could occur.**

During 2013, Repsol will launch an action to *implement mechanisms that evaluate and control internal corruption risks and those posed by our relations with third parties and the supply chain.*

In the context of this initiative, the company will develop a model of the clause to be incorporated in all the agreements that implement the principle of anti-corruption, taking into account that established in Repsol's internal regulations, the policies of Yacimientos Petrolíferos Fiscales Bolivianos (YPFB), the legislation of the country, and international standards concerning this issue.

- **Expectation: Integrate ethical, social, environmental, gender equality and health and safety criteria into the company's purchasing policies and practices.**

In the context of this expectation, Repsol has planned an action to *incorporate ethical, environmental and Human Rights issues in the rating process for our suppliers in Bolivia.*

Through this action, the company will work on the elaboration of a proposal for the modification of the current supplier rating standard, including the aspects mentioned.

In the same way, Repsol will aspire to develop its own actions for contracting and negotiating with suppliers according to an approach of responsibility and respect for ethical principles. For this, the company establishes dialogue processes with these on all issues derived from the commercial relationship that require it.

In this regard, together with the other systems already in operation in Repsol, the company has included another action in the Sustainability Plan to hold dialogues with suppliers in order to agree on contracting models for the contracting of services.

Through this action, the company will carry out the revision of the contracting models that apply to the various groups of services that are regularly contracted, establishing a dialogue process with representative suppliers. In this way, these will be able to resolve queries with respect to the interpretation of these new contracts, as well as to formulate commentaries and observations in order to ensure the maintaining of an adequate contractual relationship.

- **Expectation: Guarantee compliance with high social, environmental and ethical standards in the supply chain through a continuous monitoring process.**

As well as the other measures that exist in the company aimed at guaranteeing a good Sustainability performance of the supply chain, Repsol has incorporated an action in the Plan to *analyse and promote the Corporate Responsibility practices of our suppliers and contractors in Bolivia.*

The initiative will entail an evaluation by the company on the existence, as well as the level of development, of Corporate Responsibility policies and procedures among its contractors and suppliers, with the aim of having the necessary information to permit the design of future actions concerning this issue.

- **Expectation: Actively participate in raising awareness in the organisations with which the company operates, with respect to CSR issues.**

Repsol has included three actions in the Sustainability Plan aimed at promoting more responsible behaviour by the different agents with which it operates.

The first of these, to *promote the accomplishment of the Corporate Responsibility Plan of Yacimientos Petrolíferos Fiscales Bolivianos (YPFB) - Andina*, will entail the monitoring, by the company, of compliance with this planning, fundamentally with respect to the actions directed at the communities influenced by the operations of YPFB Andina.

Additionally, and also within the context of this expectation, Repsol will launch a second action to promote, among the company's contractors and own workforce, the need of carrying out activities responsibly.

This action, to *promote Corporate Responsibility among the contractors of the Bolivian Business Unit*, will involve the carrying out of a programme for the dissemination, among this group, of the standards and commitments of the company regarding Corporate Responsibility issues.

Lastly, and also in reference to its value chain, Repsol has included a third action in the Plan aimed at promoting, among its service providers, the adoption of the highest safety standards in their activities.

This action, to *contribute to improve the safety and environmental performance of service providers in the assets operated by Repsol*, will be launched during 2013 and will involve the holding of monthly meetings with these companies to strengthen the joint management of social, environmental, and health and safety aspects associated with the activities executed in the assets operated by Repsol.

- **Expectation: Ensure that third parties contracted by the company are legitimate companies whose integrity has been recognised and that have an adequate environmental and social management system.**

Finally, with the aim of responding to this expectation, during 2013, Repsol will continue in the execution of an action to *ensure our contractors' compliance with the labour obligations concerning their employees*.

This will involve both the monitoring of compliance with these obligations and the implementation of a specific in-house tool by the company to manage this issue.

Specific information on each of the actions included in the Fair operating practices programme of the current Plan is included in the tables below. These tables are sorted in chronological order according to the expected calendar for the implementation of the actions. The order, therefore, may not coincide with that indicated in this introduction:

ACTION	Contribute to improve the safety and environmental performance of service providers in the assets operated by Repsol.
DESCRIPTION	We will hold monthly meetings with service providing companies to strengthen the joint management of social, environmental, and health and safety aspects associated with the activities executed in the assets operated by Repsol, analysing performance and interchanging good practices.
INDICATOR	Number of meetings held.
YEAR IMPLEMENTED	2013
ACTION	Implement mechanisms that evaluate and control internal corruption risks and those posed by our relations with third parties and the supply chain.
DESCRIPTION	We will develop a model of the clause for the implementation of anti-corruption principles, gathering together Repsol's internal regulations, and considering the policies of Yacimientos Petrolíferos Fiscales Bolivianos (YPFB), Bolivian legislation and the international standards concerning this issue.
INDICATOR	Development of the corresponding clause and its implementation in the contracts to be subscribed to by service providers.
YEAR IMPLEMENTED	2013

ACTION	Ensure our contractors' compliance with the labour obligations concerning their employees.
DESCRIPTION	<p>We will continue monitoring the compliance of contractors with labour obligations concerning their employees, in our operations in Bolivia.</p> <p>We will implement an in-house tool.</p>
INDICATOR	Number of suppliers analysed.
YEAR IMPLEMENTED	2013
ACTION	Incorporate ethical, environmental and Human Rights issues in the rating process for our suppliers in Bolivia.
DESCRIPTION	<p>We will put forward a proposal to the Management of Upstream Procurement and Contracting for the modification of the regulation for the rating of suppliers and for the inclusion of aspects related with ethics, Human Rights and the Environment in the process for the rating of our suppliers and contractors.</p>
INDICATOR	Proposal put to the Management of Upstream Procurement and Contracting.
YEAR IMPLEMENTED	2013
ACTION	Analyse and promote the Corporate Responsibility practices of our suppliers and contractors in Bolivia.
DESCRIPTION	<p>We will inquire into the existence and level of development of Corporate Responsibility policies and procedures among the contractors and suppliers of Repsol in Bolivia, with the aim of having the necessary information to permit the design of future actions with respect to this issue.</p>
INDICATOR	Final report of the analysis.
YEAR IMPLEMENTED	2013

ACTION	Promote Corporate Responsibility among the contractors of the Bolivian Business Unit.
DESCRIPTION	We will carry out a programme for the dissemination of the company's standards and commitments regarding Corporate Responsibility issues among its principal contractors.
INDICATOR	Number of contractors trained.
YEAR IMPLEMENTED	2013
ACTION	Promote the accomplishment of the Corporate Responsibility Plan of Yacimientos Petrolíferos Fiscales Bolivianos (YPFB) - Andina.
DESCRIPTION	We will monitor the execution of the Corporate Responsibility Plan with communities influenced by YPFB Andina.
INDICATOR	Monitoring report of the execution of the YPFB Andina Corporate Responsibility Plan.
YEAR IMPLEMENTED	2013-2014
ACTION	Hold dialogues with suppliers in order to agree on contracting models for the contracting of services.
DESCRIPTION	<p>We will revise the models of contracts that apply to the various groups of services that are regularly contracted and present them to the representative suppliers of these services, so that they are aware of them, so that they can resolve queries about the interpretation and application of the clauses and, mainly, so that they can make commentaries and observations; these being more important to ensure an adequate contractual relationship.</p> <p>We will analyse the observations and commentaries received and consider taking them into account in the final contractual models insofar as it corresponds.</p>
INDICATOR	<ul style="list-style-type: none"> - Number of discussion workshops held with suppliers. - Minutes taken in each workshop.
YEAR IMPLEMENTED	2013-2014

Programme 6

Community involvement and development

Community involvement and development stems from the identification of existing stakeholders and involvement with them in the management and minimization of the impacts that the organisation's activities might generate.

Repsol's community involvement aims to maximize the benefit of our local presence seeking local sustainable development; however, the company often has to take varying, and at times conflicting, community interests into account as it develops its community investment strategy.

In order to meet the expectations of its stakeholders in the subject of community involvement and development, Repsol has specific management systems in place which are available at the corporate website **repsol.com**.

Additionally, as part of the Sustainability Plan for Bolivia, in its current edition, five actions have been included in the subject of community involvement and development to respond to some of the principal expectations identified by stakeholders, such as those shown below.

-Actions included in the Community involvement and development programme and a summary of the principal expectations that contribute to respond to them-

Community Involvement And Development Programme	
<p>Expectation: Implement and maintain a procedure for the managing of external communications and complaints that proceed from the community.</p>	<p>Expectation: Adopt a strategic approach to relations established by the company with communities, in order to avoid that these lose intensity over time.</p>
<p>Expectation: Stimulate the generation of local capacities through close cooperation with the local community, including local business sectors.</p>	<p>Expectation: Strengthen the community development programmes related with improving the health of local communities.</p>
<p>Expectation: Seek to eliminate the negative impacts on health of any production process or of the products provided by the organisation.</p>	
<p>Actions included in the programme:</p> <ol style="list-style-type: none"> 1. Collect first hand, claims and suggestions formulated by communities and give them an adequate response. 2. Execute the plan for relations with the Guarani Community affected by the Margarita operation in Bolivia. 3. Strengthen the capacities of neighbouring communities and local suppliers of the Margarita exploration project, involving the responsible authorities and institutions. 4. Develop an awareness of transport safety among those people that travel in the area of the Margarita-Huacaya exploration project. 5. Train health managers in communities of interest. 	

- **Expectation: Implement and maintain a procedure for the managing of external communications and complaints that proceed from the community.**

Repsol, through one of the actions included in the Plan, will implement a procedure to *collect first hand, the claims and suggestions formulated by communities and give them an adequate response.*

This procedure, directed at Claims Management, forms part of the Community Relations Management System and will permit the recording and monitoring of all these communications, as well as the reporting of the evolution of these indicators in the Corporate Responsibility Report.

- **Expectation: Adopt a strategic approach to relations established by the company with communities, in order to avoid that these lose intensity over time.**

Maintaining good relations with the communities influenced by operations is a key aspect for the company. Not surprisingly, it has a direct impact on its performance.

In this context, Repsol has included as an action in the current Plan, to *execute the plan for relations with the Guarani Community affected by the Margarita operation in Bolivia.*

With this action, the company will hold biannual meetings with the Guarani People's Assembly – Itika-Guasú (APG IG), with the aim of informing it of the progress made in Repsol's operations in the Margarita field, as well as their principal impacts.

Additionally, in the context of this action, the company contemplates various forums for dialogue with the aim of ensuring that good practices are adopted in its conduct as well as in that of its contractors. These forums will consist of six meetings each year with the APG Itika-Guasú monitoring team, as well another six with the APG National monitoring team (MGR 7 Well).

- **Expectation: Stimulate the generation of local capacities through close cooperation with the local community, including local business sectors.**

In the context of this expectation, Repsol will carry out an action to *strengthen the capacities of neighbouring communities and local suppliers of the Margarita exploration project, involving the responsible authorities and institutions.*

In order to implement it, the company will promote the signing of an agreement with Yacimientos Petrolíferos Fiscales Bolivianos (YPFB) and with the Entre Ríos and Huacaya municipalities, aimed at training people in the community on various themes: development of capacities; development of entrepreneurs and development of suppliers.

The action will also incorporate the holding of talks with potential suppliers in the city of Tarija.

- **Expectation: Strengthen the community development programmes related with improving the health of local communities.**

One of the principal areas in which the company cooperates with the local communities of its operations is in the improvement of health.

In the context of the Plan, Repsol has included an action for this purpose, to *train health managers in communities of interest*.

Through this initiative, the company will select various candidates from among the people that live in these communities, with the aim of training them as Community Health Agents, converting them into references for the support of healthcare and the carrying out of basic healthcare measures in the community. Additionally, they will disseminate information on good health and safety practices, encouraging a change of habits, even within the restrictions imposed by the surrounding environment.

- **Expectation: Seek to eliminate the negative impacts on health of any production process or of the products provided by the organisation.**

One of the principal repercussions of the company's projects in areas where it operates is a significant increase in the volume of traffic.

For this, and with the aim of reducing to a minimum the associated accident rates, Repsol will carry out an action to *develop an awareness of transport safety among those people that travel in the area of the Margarita-Huacaya exploration project*.

The action will consist of the implementation of a specific campaign in the immediate surroundings of the project, designed both for drivers and pedestrians that travel in the area.

Specific information on each of the actions included in this programme is included in the tables below. These tables are sorted in chronological order according to the expected calendar for the implementation of the actions. The order, therefore, may not coincide with that indicated in this introduction:

ACTION	Execute the plan for relations with the Guarani Community affected by the Margarita operation in Bolivia.
DESCRIPTION	<p>We will hold biannual meetings with the Guarani People's assembly – Itika-Guasú (APG IG), to inform them of the progress made in Repsol's operations in the Margarita field, as well as their principal impacts.</p> <p>In order to ensure the good practices of Repsol and its contractors, the following forums for dialogue will be promoted:</p> <ul style="list-style-type: none"> - Six meetings each year with the APG Itika Guasu monitoring team. - Six meetings each year with the APG National monitoring team (Well MGR7).
INDICATOR	<ul style="list-style-type: none"> - Number of meetings held with the APG IG. - Number of meetings held with the indigenous social and environmental monitoring teams of the APG IG and APG National.
YEAR IMPLEMENTED	2013
ACTION	Strengthen the capacities of neighbouring communities and local suppliers of the Margarita exploration project, involving the responsible authorities and institutions.
DESCRIPTION	<p>We will promote an agreement with <i>Yacimientos Petrolíferos Fiscales Bolivianos</i> (YPFB) and with the municipalities of Entre Ríos and Huacaya, aimed at training people from the community on the following themes:</p> <ul style="list-style-type: none"> o Development of capacities. o Development of entrepreneurs. o Development of suppliers. <p>Talks will be held with potential suppliers in the city of Tarija.</p>
INDICATOR	Two tri-partite agreements signed.
YEAR IMPLEMENTED	2013

ACTION	Train health managers in communities of interest.
DESCRIPTION	<p>Among the approximately 3000 people that live in the communities, we will identify candidates to be trained as Community Health Agents. These will be converted into references for support with promotional actions and key healthcare practices, as well as basic healthcare related actions in the community.</p> <p>At the same time that they disseminate good health and safety practices, there will be an impact in their area regarding the change of habits, even within the restrictions of the local environment.</p> <p>The project is included as part of our “Saber Vivir” Programme that has led to the certification of the Bolivian Business Unit, during the year 2010, as a “Healthy Company”. The project is denominated as: “Saber Vivir llega a la comunidad”.</p>
INDICATOR	Develop 10 Community Health Agents.
YEAR IMPLEMENTED	2013

ACTION	Develop an awareness of transport safety among those people that travel in the area of the Margarita-Huacaya exploration project.
DESCRIPTION	We will implement a transport safety campaign, in the immediate surroundings of the Margarita – Huacaya exploration project, for drivers and/or pedestrians that travel in the area of the project.
INDICATOR	Campaign developed and implemented.
YEAR IMPLEMENTED	2013

ACTION	Collect first hand, the claims and suggestions formulated by communities and give them an adequate response.
DESCRIPTION	We will record and monitor all the claims and suggestions made by communities, the employees of the company, and contractors, applying the Claims Management procedure contained in the Community Relations Management System, reporting on the evolution of these indicators in the Corporate Responsibility Report.
INDICATOR	Number of claims registered/Number of claims closed.
YEAR IMPLEMENTED	2013-2014



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.

