



Corporate Sustainability Plan

2013-2014

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LEGAL NOTICE

The Corporate Sustainability Plan of the Repsol Group 2013-2014 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 the 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 at corporate level, based on the following sources:

- Criteria related to organisational governance and environmental and social management (ESG) used on a formal basis by institutional investors and asset managers, that are relevant for Repsol, when selecting their investment portfolios.
- ESG proposals presented to the general shareholders' meetings of the principal companies in the energy sector.
- Most recent publications of the most influential international organisations in the ESG field.
- Expectations of the leaders of opinion associated with ESG issues who have appeared in a selection of international media.
- Expectations formulated by other leaders of opinion and experts during in-depth interviews held for this study.

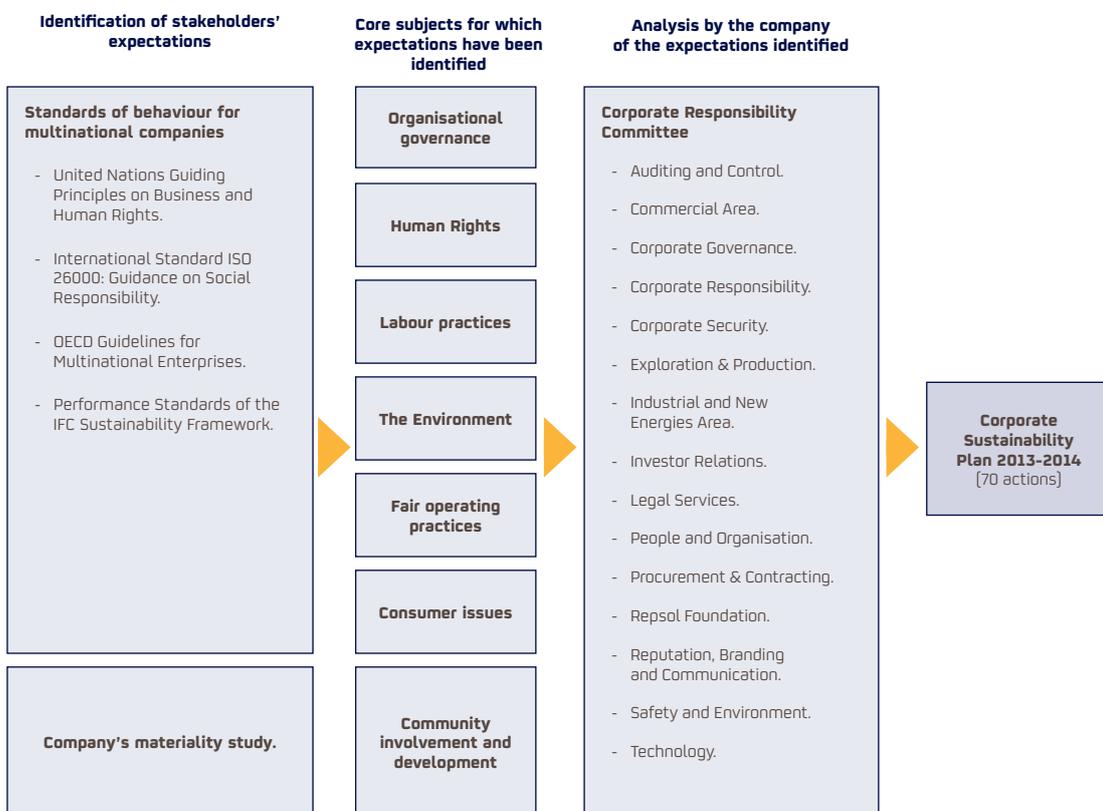
The set of expectations obtained from the four international standards and the expectations identification study amounted to more than five hundred. After an analysis and consolidation process, the results have been studied by the Corporate Responsibility Committee at corporate level, formed of representatives at the executive level of the following businesses and units in the country:

- Auditing and Control.
- Commercial Area.
- Corporate Governance.
- Corporate Responsibility.
- Corporate Security.
- Exploration & Production.
- Industrial and New Energies Area.
- Investor Relations.
- Legal Services.
- People and Organisation.
- Procurement & Contracting.
- Repsol Foundation.

- Reputation, Branding and Communication.
- Safety and Environment.
- Technology.

With this exercise, we have been able to formally and systematically introduce the expectations of stakeholders at a global level 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 Corporate Sustainability Plan, 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 70 specific short-term actions [2013-2014] with the corresponding indicators to measure their implementation, grouped into seven programmes that correspond with the seven Social Responsibility core subjects 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 Labour practices and Community involvement and development have been the ones that involve the greatest number of actions.

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

| PROGRAMMES | Number of actions |
|---------------------------------------|-------------------|
| Organisational governance | 6 |
| Human Rights | 12 |
| Labour practices | 14 |
| The Environment | 9 |
| Fair operating practices | 12 |
| Consumer issues | 3 |
| Community involvement and development | 14 |

The 2013-2014 Corporate Sustainability Plan is not Repsol's only contribution to sustainable development. This Plan is complemented with:

- Other short term actions concerning certain countries or operating centres, such as those that form part of our Sustainability Plans at country level.

93% 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.

The 2013-2014 Sustainability Plan does not substitute our Annual Corporate Responsibility Report. The Annual Report is a document that informs on the company's accountability regarding its performance in the last fiscal year, while the Sustainability Plan publicises the actions that we will undertake in the next two years.

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 six 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

Expectation: Properly manage environmental, social and ethical risks in all business areas, applying due diligence principles.

Expectation: Periodically revise and evaluate organisational governance processes.

Expectation: Create an environment and culture in which the principles of Social Responsibility are practiced.

Expectation: Guarantee the publication of accurate information, on all the significant aspects of the company within the set time limits.

Actions included in the programme:

1. Incorporate the revision of Corporate Responsibility aspects in auditing projects.
2. Extend the Corporate Responsibility coordination system existing in the company to three new countries.
3. Advance in measuring the success of aligning the company's performance with our stakeholders' expectations.
4. Monitor the Compliance Programme concerning the formal legal obligations of the legal entities belonging to the Repsol Group, established by the Public Entities of the countries in which it carries out its activities.
5. Offer training to Repsol's employees on Corporate Responsibility issues.
6. Present Repsol's Strategic Plan to society.

- **Expectation: Properly manage environmental, social and ethical risks in all business areas, applying due diligence principles.**

Three actions have been included in the current Plan to address this expectation.

The first of these, designed to ensure that the internal control processes of the Group's activities take into account these type of risks, is to *incorporate the revision of Corporate Responsibility aspects in auditing projects*. This permits the company to check that these aspects have been considered in all cases and to communicate the conclusions obtained to the organisational units affected.

Secondly, with the aim of ensuring that the management of environmental, social and ethical aspects is carried out in the various geographical areas in which Repsol operates, two other actions have been incorporated into the current Plan.

One of these is to *extend the Corporate Responsibility coordination system existing in the company to three new countries* [Brazil, the United States and Venezuela].

Additionally, Repsol has accompanied this action with a second to *advance in measuring the success of aligning the company's performance with our stakeholders' expectations*, with which the company will be able to know how to advance with the implementation of the Corporate Responsibility coordination system at country level.

- **Expectation: Periodically revise and evaluate organisational governance processes.**

In the area of governance, one of the principal elements that the company takes into account is to what extent its decision making processes guarantee compliance with legal and other obligations.

To strengthen this aspect, as part of the present Plan, an action has been included to *monitor the Compliance Programme concerning the formal legal obligations of the legal entity belonging to the Repsol Group, established by the Public Entities of the countries in which it carries out its activities*. With this, Repsol will continue to strengthen the process with which it carries out a self-assessment of its compliance with obligations, both legal and those that proceed from the company's internal standards, establishing action plans to resolve possible non-compliances that are identified.

- **Expectation: Create an environment and culture in which the principles of Social Responsibility are practiced.**

In order to respond to this expectation, the current edition of the Plan incorporates an action to *offer training to Repsol's employees on Corporate Responsibility issues*. For this, during 2013-2014 the company will develop an online training module based on our Corporate Responsibility model, with which we will continue working for the creation of a responsible culture in the organisation and among all its members.

- **Expectation: Guarantee the publication of accurate information, on all the significant aspects of the company within the set time limits.**

As well as the different variables related with performance or the management of the impacts that the company's activities could generate, the company understands that other significant aspects on which it should report are the strategic priorities that will guide its activity in the medium and long term.

In this context, the Corporate Sustainability Plan incorporates an action to *present Repsol's Strategic Plan to society*. With this, Repsol will strengthen its commitment with transparency and will project its principal messages globally, involving the presentation of these to international media.

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 | Monitor the Compliance Programme concerning the formal legal obligations of the legal entities belonging to the Repsol Group, established by the Public Entities of the countries in which it carries out its activities. |
| DESCRIPTION | <p>We will promote the revision of inventories of obligations, through a global analysis of requirements by country/area, as well as of the level of awareness of the model in the whole organisation.</p> <p>In the same way, we will perform a proactive monitoring of the processes for the self-assessment of compliance that will be carried out periodically by the managers of the areas, and we will compile a report of the corresponding results at an appropriate level.</p> |
| INDICATOR | <ul style="list-style-type: none"> - Modifications in the inventories of obligations (additions/deletions/modifications). - Percentage of progress in completing the periodic self-assessments. - Quarterly report of the results of the processes to the responsible General Managers/Executive Managers. - Number of action plans defined and implemented in the period. - Implementation of the model of criticalities of the obligations registered in a business area. |
| YEAR IMPLEMENTED | 2013 |

ACTION **Incorporate the revision of Corporate Responsibility aspects in auditing projects.**

DESCRIPTION We will revise the aspects related with Corporate Responsibility (ethics and conduct, Human Rights, community relations, etc.) in auditing projects.
We will inform the affected organizational units on the conclusions together with a report of the corresponding projects.

INDICATOR Number of auditing projects carried out.

YEAR IMPLEMENTED 2013-2014

ACTION **Extend the Corporate Responsibility coordination system existing in the company to three new countries.**

DESCRIPTION We will convene the Corporate Responsibility Committees and we will develop and approve the first Sustainability Plans in three new countries in which Repsol operates; Brazil, the United States and Venezuela.

INDICATOR Sustainability plans developed in Brazil, the United States and Venezuela.

YEAR IMPLEMENTED 2013-2014

ACTION **Advance in measuring the success of aligning the company's performance with our stakeholders' expectations.**

DESCRIPTION We will define a methodology that permits us to measure the progress made in the application of the Corporate Responsibility coordination system at country level. These studies must measure the recognition that the principal stakeholders of the company award to Repsol's behaviour at a national level.

INDICATOR Methodological guide developed.

YEAR IMPLEMENTED 2013-2014

| | |
|-------------------------|--|
| ACTION | Present Repsol's Strategic Plan to society. |
| DESCRIPTION | <p>We understand that transparency constitutes a fundamental pillar of a leading energy company like Repsol, and therefore is an inherent value for our performance.</p> <p>The Strategic Plan sets out the company's path in the short and medium term and, as a result, must be projected to the information society. For this we will convene meetings with international, national and regional media to disseminate the most relevant messages associated with the Plan, and to attend to the requests of the information professionals through a press conference.</p> |
| INDICATOR | Repercussions in the media. |
| YEAR IMPLEMENTED | 2012-2013 |
| ACTION | Offer training to Repsol's employees on Corporate Responsibility issues. |
| DESCRIPTION | We will develop an online training module based on Repsol's Corporate Responsibility model, for its application in different corporate training courses. |
| INDICATOR | Course developed and available in the training tool. |
| YEAR IMPLEMENTED | 2013-2014 |

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, twelve actions have been assigned to this subject in the current Corporate 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 | | |
|---|--|--|
| <p>Expectation: Have a Human Rights policy that offers significance guidance to those within the organisation, as well as to those closely associated with it.</p> | <p>Expectation: Identify the general areas that present the greatest risk of real or potential negative consequences on Human Rights, and give priority to the carrying out of due diligence in these areas.</p> | <p>Expectation: Include an evaluation of the real and potential Human Rights impacts of activities.</p> |
| <p>Expectation: Disseminate the Human Rights policy internally and ensure that it is reflected in the necessary operational policies and procedures to instil the assumed commitment throughout the whole company.</p> | <p>Expectation: Minimise the risks derived from the employment of security personnel to provide security services for operations, ensuring at the same time that these personnel comply with that contemplated by international standards of reference.</p> | <p>Expectation: Work to ensure that neither employees, business partners, customers, stakeholders, members, nor anyone with which the company has some kind of contact are discriminated against.</p> |
| <p>Expectation: Establish mechanisms to resolve claims related with Human Rights.</p> | | |

Actions included in the programme:

1. Reinforce the already existing requirement of our company to respect Human Rights by adopting a specific Human Rights policy that applies worldwide.
2. Increase our capacity to always act and make decisions that are pro-Human Rights.
3. Modify exploration and production processes so that Human Rights become more integrated in our operations.
4. Establish corporate guidelines for carrying out Human Rights impact assessments in operations.
5. Analyse the findings of the Human Rights impact assessments carried out and propose actions for improvement.
6. Ensure that the working conditions of employees in private security contractor companies comply with national legislation and are coherent with international Human Rights legislation.
7. Implement adhesion to the Voluntary Principles on Security and Human Rights (VPSHR).
8. Formally request the adhesion of the company to the Voluntary Principles on Security and Human Rights (VPSHR).
9. Take into account social minorities and special needs groups in our corporate communications.
10. Advance in the launching of grievance mechanisms in our operations that are aligned with the United Nation's Guiding Principles on Business and Human Rights.
11. Promote the employment of people with different abilities.
12. Disseminate the United Nations' Guiding Principles on Business and Human Rights to all of Repsol's lawyers in the workforce in Spain and Latin America.

- **Expectation: Have a Human Rights policy that offers significance guidance to those within the organisation, as well as to those closely associated with it.**

In order to strengthen the already existing culture of respecting Human Rights in the company, in 2013, Repsol will approve a *specific Human Rights policy that applies worldwide*.

The adoption of this policy constitutes a fundamental step in the application of due diligence in this area, and will serve to establish general principles that have to guide our conduct in relation to human rights. Additionally, the action contemplates the development of a plan for the implementation of the policy which will also have to be ready in 2013.

- **Expectation: Disseminate the Human Rights policy internally and ensure that it is reflected in the necessary operational policies and procedures to instil the assumed commitment throughout the whole company.**

As well as the plan for the implementation of the Human Rights policy mentioned earlier, Repsol has included two actions in the current Plan to extend this commitment to the different levels of the company.

The first of these actions, to *increase our capacity to always act and make decisions that are pro-Human Rights*, will consist in imparting training to Repsol's workforce, especially the workforce that operates in countries considered as priorities, as well as to the managing staff of all business and corporate areas.

Additionally, Repsol will specifically dedicate a second action to the workforce of lawyers in Spain and Latin America, to *disseminate the United Nations' Guiding Principles on Business and Human Rights*. For this, various training sessions will be given to this group in the countries of Bolivia, Colombia, Ecuador, Mexico, Trinidad and Tobago, and Venezuela.

- **Expectation: Identify the general areas that present the greatest risk of real or potential negative consequences on Human Rights, and give priority to the carrying out of due diligence in these areas.**

Within the cycle of Repsol's activities, exploration and production operations are some of those that represent the most risk of negative Human Rights impacts.

Therefore, as well as the actions already implemented by the company in the past, the current Plan contemplates the *modifying of exploration and production processes so that Human Rights become more integrated in our operations*. This action entails the revision of the Integrated Project Management system of the units responsible for these activities, with the aim of reinforcing the consideration of the Guiding Principles on Business and Human Rights of the United Nations in our operational processes.

- **Expectation: Include an evaluation of the real and potential Human Rights impacts of activities.**

The evaluation of the impacts of the company's activities is another of the fundamental stages in the application of due diligence to aspects related with Human Rights.

Repsol has various management systems in this regard to which it has incorporated two actions that are contemplated in the current Plan. The first of these refers to the *establishing of corporate guidelines for carrying out Human Rights impact assessments in operations*, for which a guide will be compiled that complements and develops the putting into practice of the Environmental, Social and Health Impact Assessment Standard that is already applied in the company's activities.

Additionally, in the framework of this expectation, Repsol has incorporated a second action in the Plan to *analyse the findings of the Human Rights impact assessments carried out and propose actions for improvement*, and in this way be able to propose actions for improvement. For this, as part of the procedure to follow, a collection of all the findings of the evaluations, a grouping of this data, and finally, a proposal of actions for improvement will be carried out.

- **Expectation: Minimise the risks derived from the employment of security personnel to provide security services for operations, ensuring at the same time that these personnel comply with that contemplated by international standards of reference.**

The conduct of public and private security forces when protecting facilities is another aspect that is subject to various Human Rights risks.

For this, Repsol has included various actions in the Plan in this area that are aimed, fundamentally, at guaranteeing that subcontracted security personnel operate according to applicable regulations and, secondly, to encourage the participation of the company in initiatives of reference related with this issue.

In the legal field, the company will work to *ensure that the working conditions of employees in private security contractor companies comply with national legislation and are coherent with international Human Rights legislation*. For this, a country-by-country study will be carried out to find out what requirements apply, as well as if these are respected by sub-contractor security companies.

Additionally, the company will promote its participation in international initiatives of reference *implementing adherence to the Voluntary Principles on Security and Human Rights (VPSHR)*, that were launched some years ago by the State Department of the United States and the Foreign Office of the United Kingdom, in light of the international concern generated by some events involving the conduct of security forces when protecting oil and gas facilities.

During the period covered by the current Plan, Repsol will request adherence to this initiative, also beginning the *implementation of the requirements that it entails*. Furthermore, as a result of the company's adherence to this framework, the company will inform on the actions that are finally adopted in its annual reports.

- **Expectation: Work to ensure that neither employees, business partners, customers, stakeholders, members, nor anyone with whom the company has some kind of contact are discriminated against.¹**

As well as the systems that already function in the company in this field, Repsol has specifically included two actions in this Plan to strengthen the integration of a group that has traditionally suffered episodes of discrimination; people with different abilities.

The first of these, designed in line with the company's efforts to offer job opportunities to vulnerable collectives, will be to *promote the employment of people with different abilities*. This action will promote the direct employment of members of this group and, in the process, will also involve our suppliers and contractors.

In the same way, the action contemplates other actions such as continuing with initiatives for the training of people with different abilities, the promotion of purchasing from Special Employment Centres (SEC), the carrying out of awareness raising actions among the Group's workforce and the continuation of agreements established with various organisations that assess the company in the area of disability.

Secondly, the company has included another action to guarantee that special needs groups are also not discriminated against in communication processes. For this Repsol will continue *carrying out its annual reports taking into account all of the universal accessibility criteria* promoting collaboration with the ONCE Foundation.

¹ As part of the current Plan, the actions related with the fight against discrimination are distributed between this section and the Labour Practices Programme. There two actions have been included to avoid this type of event and to guarantee equality between those persons who already form part of the company. For more information please consult the introduction to that programme.

- **Expectation: Establish mechanisms to resolve claims related with Human Rights.**

The establishing of grievance mechanisms that are accessible, based on dialogue, effective and that give rise to the confidence of stakeholders is a fundamental expectation in international Corporate Social Responsible standards for multinational companies.

For this reason, in 2014, Repsol will carry out an action to *advance in the launching of grievance mechanisms in our operations that are aligned with the United Nation's Guiding Principles on Business and Human Rights*, for which a corporate guide will be developed that allows for their implementation.

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 | Reinforce the already existing requirement of our company to respect Human Rights by adopting a specific Human Rights policy that applies worldwide. |
| DESCRIPTION | <ul style="list-style-type: none"> - We will initiate the official process for approving the Policy. - We will carry out the implementation of the Policy in the company. |
| INDICATOR | Approval of the Policy by the Steering Committee in 2013. |
| YEAR IMPLEMENTED | 2013 |

| | |
|-------------------------|---|
| ACTION | Increase our capacity to always act and make decisions that are pro-Human Rights. |
| DESCRIPTION | We will impart training in Human Rights to the managing staff of all businesses and corporate areas. |
| INDICATOR | <ul style="list-style-type: none"> - Number of persons that are required to carry out this course in their training plan. - Number of persons that have carried out the course. |
| YEAR IMPLEMENTED | 2013 |

| | |
|-------------------------|--|
| ACTION | Modify exploration and production processes so that Human Rights become more integrated in our operations. |
| DESCRIPTION | We will revise the Integrated Exploration and Production Project Management system to ensure that the UN's Guiding Principles on Business and Human Rights are more integrated in our operational processes. |
| INDICATOR | Number of processes revised in which the requirements derived from the revision of E&P's regulations have been included. |
| YEAR IMPLEMENTED | 2013 |

| | |
|-------------------------|---|
| ACTION | Ensure that the working conditions of employees in private security contractor companies comply with national legislation and are coherent with international Human Rights legislation. |
| DESCRIPTION | <p>We will carry out a country-by-country study that reflects the national and international legal framework, as well as the company's compliance with this with respect to the contracting of employees of security contractor companies.</p> <p>This study will include aspects such as working hours, the duration of shifts, resting periods, etc. These elements will establish a comparison between that set out by national law and that actually carried out by the personnel of the company [Repsol and the contractor].</p> |
| INDICATOR | Report of the study presented. |
| YEAR IMPLEMENTED | 2013 |

| | |
|-------------------------|--|
| ACTION | Take into account social minorities and special needs groups in our corporate communications. |
| DESCRIPTION | <p>We will compile Repsol's Annual Reports taking into account all the criteria related to universal access and the commitment with environmental sustainability.</p> <p>We will promote collaboration with the ONCE Foundation on the issue of accessibility and the contracting of services from suppliers that guarantee good environmental practices.</p> <p>We will adopt a commitment to a gradual reduction in the production of the paper edition of these reports and the strengthening of digital media.</p> |
| INDICATOR | Delivery of Repsol's Annual Reports in accordance with the commitments described earlier, on the day of the General Shareholders' Meeting, in Spanish and, later on, in English. |
| YEAR IMPLEMENTED | 2013 |

| | |
|-------------------------|---|
| ACTION | Formally request the adhesion of the company to the Voluntary Principles on Security and Human Rights [VPSHR]. |
| DESCRIPTION | <p>We will carry out the necessary actions within the company in order to make the formal request for adhesion to this initiative. Once these actions have been performed, we will undertake those that correspond to the request itself.</p> |
| INDICATOR | Request presented. |
| YEAR IMPLEMENTED | 2013 |

| | |
|-------------------------|---|
| ACTION | Disseminate the United Nations' Guiding Principles on Business and Human Rights to all of Repsol's lawyers in the workforce in Spain and Latin America. |
| DESCRIPTION | To carry out training sessions with Repsol's legal teams in Bolivia, Colombia, Ecuador, Mexico, Trinidad and Tobago, and Venezuela, on the Guiding Principles on Business and Human Rights – putting into practice the Protect, Respect and Remedy framework of the United Nations. |
| INDICATOR | Number of persons trained. |
| YEAR IMPLEMENTED | 2013 |

| | |
|-------------------------|--|
| ACTION | Implement adherence to the Voluntary Principles on Security and Human Rights (VPSHR). |
| DESCRIPTION | We will request the cooperation of the various departments of the company for the application of the VPSHR. We will work to meet the requirements of the adherence commitment (risk evaluation and actions with public and private security forces) and we will establish the methods for reporting the actions performed for the compiling of the corresponding annual reports. |
| INDICATOR | Annual report to submit to the Plenary Session of the VPSHR. |
| YEAR IMPLEMENTED | 2013-2014 |

| | |
|-------------------------|---|
| ACTION | Analyse the findings of the Human Rights impact assessments carried out and propose actions for improvement. |
| DESCRIPTION | We will gather all the findings of the Human Rights impact assessments in order to analyse them and group them, proposing actions for improvement at macro level. |
| INDICATOR | Number of findings made and Number of actions for improvement proposed. |
| YEAR IMPLEMENTED | 2013 - 2014 |

| | |
|-------------------------|---|
| ACTION | Promote the employment of people with different abilities. |
| DESCRIPTION | <p>We will promote the direct employment of people with different abilities through the incorporation of workers with different abilities, also involving our suppliers and contractors.</p> <p>We will carry out training actions for people with different abilities.</p> <p>We will promote purchasing from Special Employment Centres [SEC].</p> <p>We will develop dissemination and social awareness actions for the workforce of the Repsol Group.</p> <p>We will continue with the agreements made with various organisations, associations and foundations, that assess the company in the field of disability and with which it has worked closely in collaboration since the beginning of the programme. Among them, noteworthy in Spain is the Agreement Framework for Cooperation between Repsol, ONCE and its respective foundations, with actions aimed at the development and promotion of the social integration and normalisation of people with different abilities.</p> |
| INDICATOR | <ul style="list-style-type: none"> - Number of people with different abilities in the various countries. - Number of participants in the training actions/Number of dissemination and awareness campaigns carried out. - Volume of SEC purchases. |
| YEAR IMPLEMENTED | 2013 - 2014 |

| | |
|-------------------------|--|
| ACTION | Establish corporate guidelines for carrying out Human Rights impact assessments in operations. |
| DESCRIPTION | We will compile a corporate guide for the evaluation of Human Rights impacts that complement and develop the putting into practice of the Environmental, Social and Health Impact Assessment Standard. |
| INDICATOR | Methodological guide developed. |
| YEAR IMPLEMENTED | 2014 |

| | |
|-------------------------|---|
| ACTION | Advance in the launching of grievance mechanisms in our operations that are aligned with the United Nation's Guiding Principles on Business and Human Rights. |
| DESCRIPTION | We will compile a corporate guide for the implementation of grievance mechanisms at operational level in accordance with the United Nations' "Protect, Respect and Remedy" framework and the Guiding Principles on Business and Human Rights. |
| INDICATOR | Methodological guide developed. |
| YEAR IMPLEMENTED | 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, fourteen individual actions have been assigned to this subject in Sustainability Plan, which are 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 | | |
|---|--|---|
| <p>Expectation: Ensure the equality of opportunities for all workers and no discrimination, whether it is direct or indirect, in any labour practices.</p> | <p>Expectation: Provide fair salaries to all employees.</p> | <p>Expectation: Promote consultation and cooperation among employers and workers and their representatives on issues of mutual interest.</p> |
| <p>Expectation: Provide working conditions to all workers that permit, as far as possible, the reconciliation of family and working life.</p> | <p>Expectation: Provide all workers, in all stages of working experience, with access to the development of abilities, practical training and learning, and opportunities for professional promotion.</p> | <p>Expectation: Guarantee the occupational health and safety of employees and contractors.</p> |
| <p>Expectation: Promote the awareness of employees of the company's policies, as well as their compliance with same, through the adequate dissemination of these policies.</p> | | |

Actions included in the programme:

1. Promote equality among Repsol's employees.
2. Foster cultural diversity, embodying its value as a competitive advantage.
3. Promote a work-life balance.
4. Improve the model for the compensation and recognition of employees.
5. Increase the number of employees with remuneration linked to objectives.
6. Identify and develop the talent of Repsol's employees.
7. Promote Repsol's innovation and continuous improvement model.
8. Incorporate employees' expectations into the global courses of action, for the management of Repsol's people, that respond to the working climate study.
9. Foster a culture of safety among Repsol's employees and contractors.
10. Drive the continuous improvement of the safety management system.
11. Improve the management of safety and environmental risk.
12. Prevent accidents through the investigation of incidents.
13. Establish programmes that promote healthy lifestyle habits.
14. Disseminate the new corporate values throughout the whole company.

- **Expectation: Ensure the equality of opportunities for all workers and no discrimination, whether it is direct or indirect, in any labour practices.**

Within the Labour practices programme, two actions have been included that are aimed at responding to this expectation.

The first of these, to *promote equality among Repsol's employees*, will consist in the launching of all the corrective actions that are detected as part of the study carried out by the company at a global level on the management of diversity. These will serve to guarantee respect for equal opportunities among all the employees of the company and will be carried out during 2013 and 2014.

In the same way, with regards to diversity, Repsol has incorporated another action in the current Plan to *foster cultural diversity, embodying its value as a competitive advantage*. For this, the company will promote training actions that will align people management practices with the increasingly multicultural environment, and it will define a system of indicators to measure the impact of this programme in the organisation.

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

The reconciliation of family and working life is one of the most important aspects in the relationship between workers and the company. For this, along with the efforts carried out in recent years, Repsol has incorporated a measure in this Plan to *promote a work-life balance*.

This will materialise into various actions such as the implementation of timetables that are more flexible with regards to the global environment, the extension of the telecommuting programme to other countries, and the development of new pilot initiatives concerning the flexibility of timetables and the location from which work is carried out, in Spain.

- **Expectation: Provide fair salaries to all employees.**

With regards to improvements in its retribution and recognition policy, Repsol has incorporated two actions in the current edition of the Plan.

The first of these, to *improve the model for the compensation and recognition of employees*, the company will seek the development of a non-retributive recognition model as well as the creation of a new retribution policy for those employees on international assignments.

In the same way, the company will act to *increase the number of employees with remuneration linked to objectives*, a scheme that will be extended to the workers of the Group's companies that are covered by a collective agreement.

- **Expectation: Provide all workers, in all stages of working experience, with access to the development of abilities, practical training and learning, and opportunities for professional promotion.**

Training and, in general, all that related with the development of talent in the company is one of the aspects covered by the greatest number of individual expectations.

Other expectations could be associated with that already mentioned, such as the provision of training to improve the qualification levels of workers or the need to analyse the workforce to find out what type of training they receive, and to know if they are developing the skills required by the sector.

During 2013, specifically with regards to the management of talent, Repsol will launch an action to *identify and develop the talent of Repsol's employees* existing in the company, in order to create a system with which to manage the professional life-cycle of its people. This will be based on the gathering of individual information on each one of the employees, to make it possible to identify where talent can be found in the company at any given moment and what mechanisms are needed to develop it.

Additionally, the company has incorporated another action in the Plan to *promote Repsol's innovation and continuous improvement model*, which incorporates a strong development component regarding the training of team coaches, the use of knowledge management tools and other working techniques and methodologies for the functioning of high-performance teams.

- **Expectation: Promote consultation and cooperation among employers and workers and their representatives on issues of mutual interest.**

The consultation and cooperation among employees and workers is a key mechanism for the creation of a good working climate. In this regard, in order to attend to the principal aspects of interest that the company's employees have transmitted to it, Repsol will work to *incorporate employees' expectations into the global courses of action, for the management of Repsol's people, that respond to the working climate study*.

With this action, the company will launch a series of courses of action based on the results of the third edition of the Working Climate Study carried out in 2011.

- **Expectation: Guarantee the occupational health and safety of employees and contractors.**

Occupational health and safety is an issue of special relevance in the oil and gas sector. Given the relationship of this issue with people's fundamental rights, the management of occupational health and safety entails the active promotion of the highest levels of workers' wellbeing that can be aspired to, and a strong preventative approach regarding the negative impacts on health that could be generated by working conditions.

In this regard, as well as the management systems that already function in the company, Repsol has introduced five actions in the current Plan that cover measures ranging from the achieving of certification according to the internationally recognised standards of existing management systems, to the promotion of programmes for healthy lifestyle habits.

These actions will consist in *fostering a culture of safety among Repsol's employees and contractors; driving the continuous improvement of the safety management system, working for its certification according to OHSAS 18001; improving the management of safety and environmental risk through the updating of studies of the risks that the company faces; and preventing accidents through the investigation of incidents*, applying a specific methodology that has been developed to standardise the identification of causes and to facilitate the sharing of lessons learned.

Lastly, another of the actions included in the Plan, to *establish programmes that promote healthy lifestyle habits*, through specific initiatives, the carrying out of campaigns for the early detection of certain illnesses or the dissemination of information through the internal health channel.

- **Expectation: Promote the awareness of employees of the company's policies, as well as their compliance with same, through the adequate dissemination of these policies.**

During the 2013-2014 period, Repsol will launch an action to *disseminate the new corporate values throughout the whole company*.

With this, the company complies with the expectation to promote its knowledge and compliance as a way of transforming and improving its working methods, aligning them with these values, with the company's own corporate objectives and other key attitudes like respecting and anticipating.

Specific information on each of the actions included in the Labour 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 | Foster cultural diversity, embodying its value as a competitive advantage. |
| DESCRIPTION | <p>We will promote actions aimed at promoting that our cultural diversity converts itself into a competitive advantage. For this:</p> <ul style="list-style-type: none"> - We will carry out training actions aimed at offering information and guidelines for social and cultural conduct in the countries where we have a noteworthy presence, and we will adapt Repsol's people management practices to the increasingly multicultural environment. - We will define cultural diversity indicators that help us to measure the impact of the programme in the organisation. |
| INDICATOR | <ul style="list-style-type: none"> - Number of training actions carried out. - Cultural diversity indicators defined. |
| YEAR IMPLEMENTED | 2013 |

| | |
|-------------------------|--|
| ACTION | Improve the model for the compensation and recognition of employees. |
| DESCRIPTION | <p>We will evolve the retribution policy to include:</p> <ul style="list-style-type: none"> - A non-monetary recognition model. - A new retribution model for those employees on international assignments. |
| INDICATOR | <ul style="list-style-type: none"> - Non-monetary recognition model methodology developed and implemented. - Design and implementation of the new retribution policy for those employees on international assignments. - Management tool for the management of these employees. |
| YEAR IMPLEMENTED | 2013 |

| | |
|-------------------------|---|
| ACTION | Increase the number of employees with remuneration linked to objectives. |
| DESCRIPTION | We will create and implement a variable remuneration system that is linked to targets, in Repsol's companies, for employees covered by a collective agreement. |
| INDICATOR | Number of companies in which variable remuneration systems have been implemented. |
| YEAR IMPLEMENTED | 2013 |
| ACTION | Identify and develop the talent of Repsol's employees. |
| DESCRIPTION | We will manage employee's professional life cycles. For this we will proceed with the gathering of all the information related to employees' professional development, to enable the identification and development of the company's talent. |
| INDICATOR | <ul style="list-style-type: none"> - Develop the annual performance appraisal in order to identify and organise the internal talent in Repsol. - Integrate the information derived from the performance appraisal and employee development tools, in order to be able to automatically have access to this information. |
| YEAR IMPLEMENTED | 2013 |
| ACTION | Incorporate employees' expectations into the global courses of action for the management of Repsol's people, that respond to the working climate study. |
| DESCRIPTION | We will launch global courses of action that take into account the results of the third edition of the Working Climate Study carried out in 2011. |
| INDICATOR | <ul style="list-style-type: none"> - Communication of the global courses of action for improvement. - Number of actions launched. |
| YEAR IMPLEMENTED | 2013 |

| | |
|-------------------------|--|
| ACTION | Establish programmes that promote healthy lifestyle habits. |
| DESCRIPTION | We will carry out a range of programmes for the promotion of health in various countries. |
| INDICATOR | <ul style="list-style-type: none"> - Number of countries where the campaign for the early detection of bowel cancer has been launched. - Number of new informative materials included in the internal health channel on Repsol's intranet. - Number of awareness campaigns on the internal health channel. - Development of a psychological risk plan. |
| YEAR IMPLEMENTED | 2013 |

| | |
|-------------------------|--|
| ACTION | Promote a work-life balance. |
| DESCRIPTION | <p>We will continue with the company's promotion of measures for a work-life balance, whose pillars are the respect for and confidence in employees, with an emphasis on countries.</p> <p>This commitment will materialise into various actions such as the implementation of timetables that are more flexible with regards to the global environment, being adapted to the uses and customs of each country, business and geographical area; the extension of the telecommuting programme to other countries; and pilots of new initiatives concerning the flexibility of timetables and the location from which work is carried out, in Spain.</p> |
| INDICATOR | Number of telecommuters in various countries. |
| YEAR IMPLEMENTED | 2013-2014 |

| | |
|-------------------------|--|
| ACTION | Promote Repsol's innovation and continuous improvement model. |
| DESCRIPTION | <p>We will continue with the implementation/development of new working methods and techniques for the functioning of high-performance teams.</p> <p>We will carry out pilot training programmes for team coaches and improvement programmes to speed up the cultural evolution.</p> <p>We will promote new ways of working that we want to encourage through the use of information and communication technologies (ICT) and collaboration and communication tools (social networks, knowledge management domains, associated training, communication actions, etc.)</p> |
| INDICATOR | <ul style="list-style-type: none"> - Number of training programmes for team <i>coaches</i> to speed up the cultural evolution. - Launch of new working methods. |
| YEAR IMPLEMENTED | 2013-2014 |
| ACTION | Promote equality among Repsol's employees. |
| DESCRIPTION | Once the global "Study of diversity management" has been carried out to guarantee equal opportunities for all of the company's employees, and once the corrective action plan has been designed, we will carry out the corrective actions during 2013 and 2014. |
| INDICATOR | <ul style="list-style-type: none"> - Number of measures of the corrective action plan launched. - Completion of the global study. |
| YEAR IMPLEMENTED | 2013-2014 |

| | |
|-------------------------|--|
| ACTION | Drive the continuous improvement of the safety management system. |
| DESCRIPTION | We will implement programmes for certification according to the OHSAS 18001 safety standard. |
| INDICATOR | - Number of new certifications. - Number of certifications maintained. |
| YEAR IMPLEMENTED | 2013-2014 |

| | |
|-------------------------|--|
| ACTION | Improve the management of safety and environmental risk. |
| DESCRIPTION | We will update the risk analysis studies planned in Repsol in accordance with the internal standard that was approved in 2010 on the management of safety and environmental risks in industrial assets, following the sector's best practices. |
| INDICATOR | Number of risk analyses updated as planned. |
| YEAR IMPLEMENTED | 2013-2014 |

| | |
|-------------------------|---|
| ACTION | Prevent accidents through the investigation of incidents. |
| DESCRIPTION | We will launch measures for the prevention of occupational accidents. For this, the company has defined a common methodology for the carrying out of investigations on safety and environmental incidents, with the aim of enabling the standardization of the processes for the identification of root causes and to facilitate learning within the organisation, sharing lessons learned that help us to avoid the repetition of similar accidents. |
| INDICATOR | Number of incidents investigated/total number of incidents. |
| YEAR IMPLEMENTED | 2013-2014 |

| | |
|-------------------------|--|
| ACTION | Disseminate the new corporate values throughout the whole company. |
| DESCRIPTION | We will transform and improve working methods, aligning them with the five corporate values (innovation, integrity, flexibility, responsibility and transparency), with the company's objectives and with the attitudes of respecting and anticipating. |
| INDICATOR | <ul style="list-style-type: none"> - Dissemination of the campaign for the communication of the new corporate values. - Commitment of managers in the management of the new corporate values. - Selection tests adapted to the new corporate values. |
| YEAR IMPLEMENTED | 2013-2014 |
| ACTION | Foster a culture of safety among Repsol's employees and contractors. |
| DESCRIPTION | <p>We will continue with safety training programmes for employees and contractors that work in Repsol's facilities.</p> <p>We will launch various initiatives contemplated as part of the leadership plan, whose aim is the improvement of the safety and environmental conduct of Repsol's leaders (directors and managers). The plan includes various actions with regards to training, communication and the development of employees.</p> |
| INDICATOR | <ul style="list-style-type: none"> - Number of hours of occupational health and safety training. - Number of employees trained in occupational health and safety. - Index of the extension of occupational health and safety training. - Number of employees trained in leadership in safety and the Environment. - Index of the extension of training in leadership in safety and the Environment. |
| 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 nine actions 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: Identify sources of pollution and waste generation and implement measures aimed at their prevention. | Expectation: Establish and maintain an adequate environmental management system. | Expectation: Identify potential negative impacts on biodiversity and ecosystem services, and take measures to eliminate or minimise these impacts. |
| Expectation: Develop strategies for the efficient use of resources and apply special measures for water-intensive operations. | Expectation: Carry out energy saving measures where possible and develop emission reduction strategies. | Expectation: Have procedures in place to prevent or mitigate spills involving hydrocarbons and their derivatives. |
| Expectation: Promote sustainable consumption and acquisition. | Expectation: Invest in low carbon emission technologies and energy sources. | Expectation: Invest in the most advanced technologies for the prevention or mitigation of pollution. |
| Actions included in the programme: <ol style="list-style-type: none"> 1. Improve the management of waste. 2. Optimise our water management. 3. Advance in the continuous improvement of the environmental management system. 4. Identify opportunities to improve the energy efficiency of our operations and reduce our greenhouse gas emissions. 5. Prevent and minimise biodiversity impacts. 6. Strengthen control over spills. 7. Promote the growth of renewable energy by distributing more sustainable biofuels. 8. Promote business innovation and development in the field of energy efficiency. 9. Invest in R+D projects that result in an environmental improvement. | | |

- **Expectation: Identify sources of pollution and waste generation and implement measures aimed at their prevention.**

During 2013, the company will carry out an action to improve the management of waste with which it will respond to the need to identify the sources that produce waste as a preliminary step to implement actions for its prevention.

The action will consist in the elaboration of a waste generation map in the various businesses of the company. With this it will be possible to establish a baseline that will permit the setting of future reduction targets.

- **Expectation: Develop strategies for the efficient use of resources and apply special measures for water-intensive operations.**

The correct management of water, as a scarce resource, is an issue that generates multiple expectations among the company's stakeholders. It is also a key element for the carrying out of operations.

With the aim of analysing the risks that exist for the company in the area of water use, Repsol has included an action in the Corporate Sustainability Plan to *optimise our water management*. Through this action the company will work further on the analysis of existing risks concerning this issue, paying special attention to those operations located in areas of water stress and to the company's activities that are most intensive in the use of this resource.

- **Expectation: Establish and maintain an adequate environmental management system.**

From an integrated perspective, the company will *advance in the continuous improvement of the environmental management system*, for which it will implement programmes for environmental certification based on the ISO 14001 standard.

- **Expectation: Carry out energy saving measures where possible and develop emission reduction strategies.**

Energy use and the emission of greenhouse gases are two of the priority environmental aspects for the oil and gas sector. For this, during the 2013-2014 period, Repsol will *identify opportunities to improve the energy efficiency of our operations and reduce our greenhouse gas emissions*.

This identification process will be based on the elaboration of energy consumption and greenhouse gas emission maps in the various businesses of the company that will serve to define saving targets for the 2014-2020 period.

- **Expectation: Identify potential negative impacts on biodiversity and ecosystem services, and take measures to eliminate or minimise these impacts.**

The company's activities are frequently carried out in areas of high environmental sensitivity. For this, with the aim of limiting the possible risks, Repsol will continue implementing an action to *prevent and minimise biodiversity impacts*. With this action, the company will maintain the development of the Biodiversity Action Programmes that it has implemented in those sensitive areas in which it operates.

- **Expectation: Have procedures in place to prevent or mitigate spills involving hydrocarbons and their derivatives.**

In this regard, Repsol has incorporated an action to *strengthen control over spills* in order to avoid that these occur. For this, the inventory of critical elements for the prevention of spills, based on the risk analysis carried out in all of the facilities that could cause them, will be updated.

- **Expectation: Promote sustainable consumption and acquisition.**

With regards to continuing in the promotion of the use of products that have a reduced environmental impact, as well as the other initiatives already implemented by the company, Repsol has included an action in the plan to *promote the growth of renewable energy by distributing more sustainable biofuels*.

In accordance with this action, the company will continue working to incorporate biofuels into petrol and diesel, within the limits established by national specifications, as a contribution to the accomplishment of the targets set in each country where the use of renewable energy is growing.

- **Expectation: Invest in low carbon emission technologies and energy sources.**

During the period covered by the existing Plan, Repsol will carry out an action to *promote business innovation and development in the field of energy efficiency*.

For this the company will support the creation of companies and R&D+i through a specific initiative called "*Fondo de Emprendedores*" whose fundamental aim consists in rewarding and supporting the development of business projects and companies in the early stages of development, in the field of energy efficiency. The initiative is open to proposals from any part of the world and will be aimed at entrepreneurs that have set up or plan to set up a company in the field mentioned.

- **Expectation: Invest in the most advanced technologies for the prevention or mitigation of pollution.**

The reduction of pollution and other environmental impacts associated with the company's products and activities is another of the environmental priorities for Repsol.

In this context, the company has included an action in the Plan to *invest in R+D projects that result in an environmental improvement*. With this action, the company will participate in various research and development projects that incorporate technological bases that will permit, in the future, improvements in the environmental sustainability of products, services and processes, both those of Repsol as those of its Stakeholders.

Specific information on each of the actions included in the Environmental 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 | Improve the management of waste |
| DESCRIPTION | We will elaborate the map of waste generated in the different businesses of the company to establish the baseline that will permit the future fixing of reduction targets. |
| INDICATOR | Number of businesses in which the waste baseline has been defined. |
| YEAR IMPLEMENTED | 2013 |

| | |
|------------------|--|
| ACTION | Optimise our water management. |
| DESCRIPTION | We will work further on the analysis of the risks to which the company is exposed with regards to water, paying special attention to the operations located in areas of water stress and to the activities of the company that are most intensive in the use of water. |
| INDICATOR | Number of centres in which water risk analyses have been carried out. |
| YEAR IMPLEMENTED | 2013 |

| | |
|------------------|--|
| ACTION | Invest in R+D projects that result in an environmental improvement. |
| DESCRIPTION | We will invest in research and development projects that incorporate base technologies that will permit, in the future, improvements in the environmental sustainability of Repsol's products, services and processes, or those of its stakeholders. |
| INDICATOR | Millions of euros each year. |
| YEAR IMPLEMENTED | 2013 |

| | |
|------------------|---|
| ACTION | Advance in the continuous improvement of the environmental management system. |
| DESCRIPTION | We will implement programmes for certification according to the ISO 14001 environmental standard. |
| INDICATOR | - Number of new certifications. - Number of certifications maintained. |
| YEAR IMPLEMENTED | 2013-2014 |

| | |
|------------------|---|
| ACTION | Identify opportunities to improve the energy efficiency of our operations and reduce our greenhouse gas emissions. |
| DESCRIPTION | We will develop energy consumption and greenhouse gas emission maps (CO ₂ equivalent) in the various businesses to enable the definition of energy saving and CO ₂ equivalent emission reduction objectives for the 2014-2020 period. We will continue implementing greenhouse gas emission reduction opportunities, CO ₂ equivalent. |
| INDICATOR | Tonnes of CO ₂ equivalent reduced with respect to the business as usual scenario. |
| YEAR IMPLEMENTED | 2013-2014 |

| | |
|------------------|--|
| ACTION | Prevent and minimise biodiversity impacts |
| DESCRIPTION | We will continue with the development of Biodiversity Action Plans in sensitive areas. |
| INDICATOR | Number of Biodiversity Action Plans carried out. |
| YEAR IMPLEMENTED | 2013-2014 |

| | |
|-----------------|---|
| ACTION | Strengthen control over spills. |
| DESCRIPTION | We will update the inventory of critical elements for the prevention of spills based on the risk analyses carried out in all of the facilities that could cause them. |
| INDICATOR | Percentage of facilities in which the list of critical elements that prevent spills has been updated. |
| YEARIMPLEMENTED | 2013-2014 |

| | |
|-----------------|--|
| ACTION | Promote the growth of renewable energy by distributing more sustainable biofuels. |
| DESCRIPTION | Incorporate biofuels in petrol and diesel, within the limits established by national specifications, as a contribution to the accomplishment of the objectives set in each country where the use of renewable energy is growing. |
| INDICATOR | Percentage of biofuels incorporated to petrol and diesel. |
| YEARIMPLEMENTED | 2013 - 2014 |

| | |
|------------------|---|
| ACTION | Promote business innovation and development in the field of energy efficiency. |
| DESCRIPTION | <p>We will promote innovation and business development in the field of energy efficiency, supporting the creation of companies and R&D+i.</p> <p>This initiative called “<i>Fondo de Emprendedores</i>” whose aim is to reward and support the development of the best business projects and companies in the early stages of development, in the field of energy efficiency.</p> <p>The initiative is open to proposals from any part of the world and is aimed at entrepreneurs that have set up or have the intention of setting up a company in this field.</p> |
| INDICATOR | <ul style="list-style-type: none"> - Evaluation of the projects presented. - Pre-evaluation of the winning projects. - Launch of the initiative. - Number of projects selected. - Description of the projects selected. |
| YEAR IMPLEMENTED | 2013-2014 |

Programme 5

Fair operating practices

Fair operating practices refer to the way in which organisations deal 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 Corporate Sustainability Plan, the company has included another twelve 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: Integrate ethical, social, environmental, gender equality, and health and safety criteria in purchasing policies and practices.</p> | <p>Expectation: Actively participate in raising awareness of CSR issues in the organisations with which the company operates.</p> | <p>Expectation: Regularly monitor and reassess the areas of highest risk concerning business ethics and integrity.</p> |
| <p>Expectation: Work in the fight against corruption, encouraging those with whom the company carries out operations to adopt similar anti-corruption practices.</p> | <p>Expectation: Inform employees, business partners, suppliers, contractors and distributors on the policies and mechanisms that the company adopts to fight against corruption.</p> | <p>Expectation: Include a set of financial and accounting procedures to reasonably ensure the keeping of accurate and truthful books, registers and accounts.</p> |
| <p>Actions included in the programme:</p> <ol style="list-style-type: none"> 1. Contribute to the increase in the number of social and environmental standards adopted by our suppliers and contractors. 2. Foster bidirectional communication with suppliers on Sustainability. 3. Grant recognition to suppliers with best practices in Sustainability. 4. Monitor the accomplishment of deadlines for the payment of our suppliers. 5. Cooperate with major business partners or the project managers of projects in which we participate, in the fight against corruption and bribery. 6. Contribute to the increase in the number of social and environmental standards adopted by our business partners. 7. Promote the inclusion of Human Rights aspects in the non operated joint ventures of our exploration and production activities. 8. Carry out a Plan for the External Communication of the Ethics and Conduct Regulation. 9. Carry out a Plan for the Internal Communication of the Ethics and Conduct Regulation. 10. Increase our capacity to take decisions that are always guided by our ethical values and that enhance knowledge of our Ethics and Conduct Regulation. 11. Increase the control of specific corruption and bribery risks in the supply chain. 12. Monitor, update and evaluate the Internal Control System for Financial Information (SCIF). | | |

- **Expectation: Integrate ethical, social, environmental, gender equality, and health and safety criteria in purchasing policies and practices.**

The promotion of Corporate Responsibility in the value chain and ensuring that adequate environmental and social standards are respected in this is an aspect that generates multiple expectations among the company's stakeholders.

For this, Repsol has introduced two actions in the current Plan aimed at ensuring that it complies with these criteria in its relations with suppliers and contractors.

The first of these, to *contribute to the increase in the number of social and environmental standards adopted by our suppliers and contractors*, aims to promote and ensure responsible behaviour in the value chain.

For this, Repsol will adopt various initiatives: disseminate among its suppliers ethical and conduct principles; analyse and, if necessary, modify its purchasing policy to include the obligation to respect the standard for ethics and protection of Human Rights in all the countries in which it operates; and develop, in case of non-compliances, action plans for those critical suppliers that find themselves in such a situation.

In the same way, the company has included a second action that is specifically aimed at guaranteeing that its own purchasing practices, regarding payments for products or contracted services, are carried out in an appropriate manner.

This will consist in *monitoring the accomplishment of deadlines for the payment of these suppliers*, for which Repsol will carry out a statistics report of these deadlines that will enable it to identify in what cases deviations in the system are occurring, and in that way, establish the most appropriate corrective actions.

- **Expectation: Work in the fight against corruption, encouraging those with whom the company carries out operations to adopt similar anti-corruption practices.**

As well as the initiatives already carried out in this field, Repsol has included another action in the present plan with the aim of *cooperating with major business partners or the project managers of projects in which we participate, in the fight against corruption and bribery*.

With this action, Repsol will work with these organisations to prevent events related with corruption and bribery that could be detected in audits of accounting books and financial registers of assets that, although not operated by the company, could end up affecting it.

As part of this action the company will implement other initiatives related with some of the expectations previously identified, such as collaborating with Business Units/ Exploration in the revision of ethical and Human Rights aspects that could affect the Group as a consequence of their entrance into a new area or business.

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

In the framework of work coordinated with other organisations in relation to CSR, the company concedes special importance to its suppliers as well as to those business partners with which it maintains stakes in projects. For this, in the current Plan four actions have been included that are directed at both groups.

The first, of general character, aims to *contribute to the increase in the number of social and environmental standards* applied by the company's business partners. For this, during 2013, Repsol will monitor the percentage of contracts that have been signed with these using the new Joint Operating Agreements model (JOA) developed in 2012.

Secondly, being also aimed at its business partners, the company has introduced another action in the Plan to *promote the inclusion of Human Rights aspects in the non operated joint ventures of our exploration and production activities*. As a result of this, Repsol will establish the aspects that have to be considered in its Upstream business management system for non operated assets, especially in the earliest stages of the business.

The last two actions that contribute to respond to this expectation are aimed at the company's suppliers and will consist in *Fostering bidirectional communication with these on Sustainability and Granting recognition to suppliers with best practices in this field*.

The first of these will be based on the implementation of formal mechanisms in the framework of the Management by Categories purchasing model that functions in the company, while the second will involve the development of a specific method for the identification of suppliers with best practices and the design of specific mechanisms to reward them with recognition.

- **Expectation: Inform employees, business partners, suppliers, contractors and distributors on the policies and mechanisms that the company adopts to fight against corruption.**

With regards to the fight against corruption, as well as the other systems that already function in the company, in the 2013-2014 period, Repsol will make an important effort to disseminate and communicate the mechanisms that it has in place to avoid these types of occurrences. For this reason, three actions have been included in the current document.

The first of these consists in *carrying out a Plan for the External Communication of the Ethics and Conduct Regulation*, through which the existence of this will be communicated to external stakeholders such as business partners, suppliers and collaborating companies.

Furthermore, this external communication will be accompanied by the development of a *Plan for Internal Communication* directed at the company's own employees, with which it will provide information on the content of the standard, the need to incorporate in their daily activities the guidelines for conduct that it includes, and promote the necessary changing of attitudes.

Finally, Repsol has included a third action in this field to *increase our capacity to take decisions that are always guided by our ethical values and that enhance knowledge of our Ethics and Conduct Regulation*. This action, which is closely related with the previous one, will consist in the imparting of specific online training to employees on these concepts.

- **Expectation: Regularly monitor and reassess the areas of highest risk concerning business ethics and integrity.**

The company's supply chain is an area subject to specific risks with regards to corruption and bribery. With the aim of preventing them, Repsol has introduced an action in this plan that is designed specifically for this purpose and which is additional to the other systems that function in the company for this task.

The action, to *increase the control of specific corruption and bribery risks in the supply chain*, will consist in the modification of the technical instructions and ethical and Human Rights guide that exist in the company to expand on aspects related with corruption. In the same way, Repsol will analyse the possibility of contracting an external service for the identification of companies with possible corrupt practices.

- **Expectation: Include a set of financial and accounting procedures to reasonable ensure the keeping of accurate and truthful books, registers and accounts.**

The Sustainability Plan includes an action to *monitor, update and evaluate the Internal Control System for Financial Information [SCIIF]*, with which the company will continuously monitor the methodology that it follows for the management of this system as well as the inventory of financial reporting risks. With this, Repsol will seek a stronger guarantee that the controls established in this area are effective.

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 | Contribute to the increase in the number of social and environmental standards adopted by our suppliers and contractors. |
| DESCRIPTION | <ul style="list-style-type: none"> - We will develop and disseminate the ethics and conduct principles for suppliers and contractors. - We will analyse and, if necessary, modify the General Procurement and Contracting Conditions existing in each country, to include the obligation of complying with ethics and Human Rights regulations. - We will define action plans with critical suppliers and contractors that don't comply with our ethics and Human Rights standard. |
| INDICATOR | <ol style="list-style-type: none"> 1. Code of ethics and conduct developed. 2. Evidence of the dissemination of the code. 3. Inclusion of the new clauses in the General Procurement and Contracting Conditions. 4. Evidence of the application of the procedure in real cases of non-compliances. |
| YEAR IMPLEMENTED | 2013 |
| ACTION | Contribute to the increase in the number of social and environmental standards adopted by our business partners. |
| DESCRIPTION | We will monitor the number of contracts signed with the new Joint Operating Agreements (JOA) model developed in 2012, both in operated and non operated projects. |
| INDICATOR | <ul style="list-style-type: none"> - Percentage of JOAs signed in operated projects. - Percentage of JOAs signed in non operated projects. |
| YEAR IMPLEMENTED | 2013 |

| | |
|-------------------------|---|
| ACTION | Promote the inclusion of Human Rights aspects in the non operated joint ventures of our exploration and production activities. |
| DESCRIPTION | We will study and establish the Human Rights aspects to consider in the management system for non operated assets, especially in the earliest stages of the business. |
| INDICATOR | Number of aspects incorporated. |
| YEAR IMPLEMENTED | 2013 |

| | |
|-------------------------|--|
| ACTION | Monitor the accomplishment of deadlines for the payment of our suppliers. |
| DESCRIPTION | We will maintain a statistical report of the deadlines for payments to our suppliers and promote corrective actions in the event that significant deviations in the system are found in the payment processes. |
| INDICATOR | Number of significant deviations identified. |
| YEAR IMPLEMENTED | 2013-2014 |

| | |
|-------------------------|---|
| ACTION | Carry out a Plan for the Internal Communication of the Ethics and Conduct Regulation. |
| DESCRIPTION | <p>We have revised the Ethics and Conduct Regulation during 2012 in order to update it according to the latest developments in Sustainability and, in this way, maintain Repsol's leadership as a sustainable and ethically responsible company.</p> <p>In this context, we will carry out an intensive communication campaign during 2013 among Repsol's employees with a triple objective:</p> <ul style="list-style-type: none"> - Disseminate the Regulation among all employees and help them to get to know its content; - Make employees aware of the need to incorporate in their daily activities the guidelines for behaviour included in the Regulation and in the company's Corporate Culture for Sustainability; and - Promote a change in attitudes and behaviour among employees to align them with the Regulation and Corporate Culture. |
| INDICATOR | Development of a Communication Plan and the dissemination of same. |
| YEAR IMPLEMENTED | 2013-2014 |
| ACTION | Carry out a Plan for the External Communication of the Ethics and Conduct Regulation. |
| DESCRIPTION | <p>We will inform our business partners, suppliers, contractors and collaborating companies, as well as the general public, of the existence and content of the Ethics and Conduct Regulation, in order to encourage the adoption of guidelines for conduct that are consistent with ours, with the aim of strengthening their perception of Repsol as a sustainable and ethically responsible company.</p> |
| INDICATOR | Development of a Communication Plan and the dissemination of same. |
| YEAR IMPLEMENTED | 2013-2014 |

| | |
|-------------------------|--|
| ACTION | Monitor, update and evaluate the Internal Control System for Financial Information (SCIIF). |
| DESCRIPTION | We will continuously revise the methodology that is applicable for the management of the Financial Information Internal Control System, as well as the inventory of financial reporting risks and of Group companies and processes covered by this, so that the controls that make up the system permit the evaluation of its effectiveness. |
| INDICATOR | <ul style="list-style-type: none"> - Annual evaluation of the functioning of the controls identified in SCIIF. - Annual certification by the Group's General Management on the validity and effectiveness of the controls and processes that fall under their respective areas of responsibility. - End of financial year communication of the results of the SCIIF evaluation to the Internal Transparency Committee and the Auditing and Control Committee. |
| YEAR IMPLEMENTED | 2013- 2014 |

| | |
|-------------------------|---|
| ACTION | Cooperate with major business partners or the project managers of projects in which we participate, in the fight against corruption and bribery. |
| DESCRIPTION | <p>While carrying out our work, aspects related with corruption and bribery could manifest themselves in the audits of accounting books and financial registers of assets not operated by Repsol.</p> <p>For this, we will revise the ethics and Human Rights aspects that could affect the Group as a consequence of entering into a new area or business.</p> |
| INDICATOR | <ul style="list-style-type: none"> - Percentage of accomplishment of the objective approved in relation with the number of audits carried out during the financial year. - Number of audits carried out in new areas or businesses as requested by Exploration. |
| YEAR IMPLEMENTED | 2013- 2014 |

| | |
|-------------------------|--|
| ACTION | Increase our capacity to take decisions that are always guided by our ethical values and that enhance knowledge of our Ethics and Conduct Regulation. |
| DESCRIPTION | We will impart training to employees on the Ethics and Conduct Regulation by developing an online course on the principles and guidelines for conduct set out in the Regulation. This with the aim of raising awareness of this, incorporating the guidelines for conduct included in the Regulation into our daily conduct, and increasing the capacity of taking decisions guided by our ethical values. |
| INDICATOR | Online course available in the training tool. |
| YEAR IMPLEMENTED | 2013-2014 |
| ACTION | Increase the control of specific corruption and bribery risks in the supply chain. |
| DESCRIPTION | <p>We will modify the technical instructions and guide for ethics and Human Rights audits to expand on the aspects related with corruption.</p> <p>We will implement the new guide and analyse the possibility of contracting an external service for the identification of companies with potentially corrupt practices.</p> |
| INDICATOR | <ul style="list-style-type: none"> - Technical instructions and guide implemented. - Inclusion of proof of anti-corruption practices by the supplier in the auditing reports. - Analysis of possible external services for the identification of companies with potentially inadequate practices. |
| YEAR IMPLEMENTED | 2013-2014 |

| | |
|-------------------------|---|
| ACTION | Foster bidirectional communication with suppliers on Sustainability. |
| DESCRIPTION | We will structure the relationship with the company's principal suppliers and establish a process for obtaining evidence of the implementation of formal mechanisms, within the framework of the Management by Categories purchasing model. |
| INDICATOR | <ul style="list-style-type: none"> - Proposal for the relationship with the company's principal suppliers within the Management by Categories framework. - Evidence of the implementation of mechanisms for communication with the company's principal suppliers. |
| YEAR IMPLEMENTED | 2013-2014 |

| | |
|-------------------------|--|
| ACTION | Grant recognition to suppliers with best practices in Sustainability. |
| DESCRIPTION | We will analyse and develop a methodology to identify those suppliers with best practices in Sustainability. Furthermore, we will carry out a trial of this methodology. |
| INDICATOR | <ul style="list-style-type: none"> - Definition of the methodology for identifying suppliers with best practices in Sustainability. - Trial of the methodology and a decision on the recognition mechanisms. |
| YEAR IMPLEMENTED | 2013 - 2014 |

Programme 6

Consumer issues

Companies have a series of responsibilities with customers who purchase their products or contract their services.

Among these, particularly noteworthy are the obligations to provide them with accurate information on the goods acquired, to guarantee at all times their safety when using products, to provide them with efficient customer service and to protect the privacy of data collected during commercial transactions.

Furthermore, companies can achieve important objectives when promoting sustainable development, such as contributing to provide essential services to areas of the population that lack these, -something that is key for a company in the energy sector like Repsol-, and promoting products or information that allows for the evolution towards a more sustainable consumption model.

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 current Plan, the company has included three actions in this subject which aim to respond to the principal expectations identified among stakeholders.

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

| Consumer Issues Programme | | |
|---|--|--|
| <p>Expectation: Not to use practices in communications to consumers that are confusing, misleading, fraudulent or unjust, including the omission of key information.</p> | <p>Expectation: Apply fair marketing and publicity practices.</p> | <p>Expectation: Promote an effective education that empowers consumers and enables them to understand the impacts on their wellbeing that result from the selections they make of products.</p> |
| <p>Actions included in the programme:</p> <ol style="list-style-type: none"> 1. Achieve a high level of accessibility to guarantee access to and consumption of corporate and commercial material. 2. Generate and disseminate material in the digital domain that raises awareness of the responsible use of energy related resources, and that promotes and facilitates sustainable consumption. 3. Adopt an ethical framework for publicity and marketing actions. | | |

- **Expectation: Not to use practices in communications to consumers that are confusing, misleading, fraudulent or unjust, including the omission of key information.**

Customers and other stakeholders of the company demand fair publicity and communication. In order to respond to this expectation, Repsol has included as an action in the current Plan, to *adopt an ethical framework for publicity and marketing actions*.

This tool will enable the company to guarantee that all its publicity activities continue to be carried out in strict compliance with the four codes of conduct and self-regulation that it already adopted in previous financial years and that respond to the demands indicated.

- **Expectation: Apply fair marketing and publicity practices.**

This expectation shares various common elements with the previous one with regards to the prevention of all kinds of confusing and misleading practices, as well as those that involve the omitting of key information.

Additionally, another aspect expected by stakeholders in the field of communication to consumers is that this is carried out in a just manner and that it does not exclude those groups that require an adapted form of communication due to their disabilities.

For this, Repsol has included a specific action in the current Plan to *achieve a high level of accessibility to guarantee access to and consumption of corporate and commercial material*. With this action, the company will manage its corporate and commercial information so that it reaches a high level of accessibility [AA] that guarantees access to it and its consumption by people with different abilities as well as its communication through multiple devices.

- **Expectation: Promote an effective education that empowers consumers and enables them to understand the impacts on their wellbeing that result from the selections they make of products.**

The promotion of responsible consumption and making tools or information available to citizens that make this possible, is one of the principal expectations identified by the company with regards to consumers.

For this, Repsol has introduced an action in the Plan to *generate and disseminate material in the digital domain that raises awareness of the responsible use of energy related resources, and that promotes and facilitates sustainable consumption*.

The action will focus on raising awareness of the new Intelligent Energy channel on the internet created by the company, as a medium to generate dialogue with the society with respect to the efficient use of energy, recycling and reusing. For this, various informative materials and initiatives related with these aspects will be disseminated through the channel.

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 | Adopt an ethical framework for publicity and marketing actions. |
| DESCRIPTION | Our customers demand sincere and truthful publicity. We will make sure that all the publicity and marketing activities of the Repsol Group are carried out in strict accordance with the four codes of conduct and self-regulation that we have adopted. |
| INDICATOR | <ul style="list-style-type: none"> - Maintain membership of the associations that underwrite these codes of action: Asociación Española de Anunciantes y Autocontrol. - Absence of rulings or resolutions for the breach of the codes. - Measures adopted in the event of a ruling or resolution for breaches made. - Number of certifications of good practices obtained. |
| YEAR IMPLEMENTED | 2013 |
| ACTION | Achieve a high level of accessibility to guarantee access to and consumption of corporate and commercial material. |
| DESCRIPTION | We will manage, develop and maintain repsol.com's corporate and commercial informative content so that it reaches a high level of accessibility (AA) that guarantees access to this information and its consumption by people with different abilities, as well as its dissemination through multiple devices. |
| INDICATOR | <ul style="list-style-type: none"> - Number of initiatives developed that promote and foster accessibility (training, manuals, tools, etc.). - Number of interventions made to improve accessibility. - Level of accessibility reached according to the annual audits. |
| YEAR IMPLEMENTED | 2013 |

ACTION

Generate and disseminate material in the digital domain that raises awareness of the responsible use of energy related resources, and that promotes and facilitates sustainable consumption.

DESCRIPTION

We will develop digital strategies to raise awareness of the new Intelligent Energy channel. We will increase its notoriety and generate dialogue with society, using informative material and initiatives that foster the intelligent use of energy, through energy efficiency, recycling and reusing.

INDICATOR

- Definition of the 2013 strategy for Intelligent Energy.
- Monthly balanced scorecard that permits the monitoring of the effectiveness of the actions, as well as the proposal of new actions.

YEAR IMPLEMENTED

2013

Programme 7

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 area 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 Corporate Sustainability Plan, in its current edition, fourteen 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 | | |
|--|---|--|
| Expectation: Evaluate the social investment initiatives related with the community and identify where improvements could be made. | Expectation: Maintain close relations with the media at all times and not only in Spain but at an international level. | Expectation: Have communication systems to manage community relations. |
| Expectation: Identify the kind of actors interested in the company's actions. | Expectation: Carry out initiatives to strengthen the capacities and opportunities of those suppliers located in the local area. | Expectation: Have a transparent relationship with local communities. |
| Expectation: Promote and support citizens so that they act as volunteers in services to the community. | Expectation: Promote and support education at all levels. | Expectation: Promote cultural activities. |
| Expectation: Contribute to programmes that provide vulnerable groups with access to food and other essential products. | Expectation: Participate in alliances with universities or research laboratories in order to improve scientific development and to employ local personnel for this task. | Expectation: Promote and support education at all levels and participate in actions that improve the quality of education and access to same. |

Actions included in the programme:

1. Improve the understanding of stakeholders' perceptions.
2. Identify the perceptions that stakeholders have of the company's behaviour, with the aim of taking actions that contribute to improve them.
3. Improve the positive impacts generated by our social investment.
4. Maintain relations with the media, with maximum transparency, that facilitate to the maximum, knowledge and the following of our company.
5. Encourage local development through the inclusion of local suppliers and contractors.
6. Define the model for the management of the recognition that stakeholders give to Repsol with the aim of improving it.
7. Improve the recognition of our stakeholders.
8. Raise awareness of our operations among civil society organisations.
9. Generate a culture of solidarity among employees.
10. Interact and collaborate with the social needs of those areas nearest to us, according to the values of rigour and transparency.
11. Promote interest in science, technology and respect for the Environment.
12. Promote a social volunteering plan.
13. Invest in R&D through public research institutions.
14. Promote science and technology among students.

- **Expectation: Evaluate the social investment initiatives related with the community and identify where improvements could be made.**

With regards to community involvement and development of the community, the capacity of companies to contribute to the growth of the local area through their social investment policies is a factor that generates a number of expectations.

During 2013, Repsol will carry out an action to *improve the positive impacts generated by our social investment*. For this, the company will work for the application of a guide to manage the social investment that it makes and to enable the gathering of information on the impact of this. Furthermore, the action contemplates the launching of a computer system that permits the managing of this information, to analyse the impact generated and to maximize the benefits of social investment policies for the community.

Through this action, the company will respond, not only to the expectation mentioned earlier, but to others related with it such as to "take into account the promotion of community development when planning social investment projects".

- **Expectation: Identify the kind of actors interested in the company's actions.**

The identification of stakeholders and the analysis of their perception of the company's activities is a key element when adopting the necessary actions to improve the integration of the company in the area in which it carries out its operations.

In this context, Repsol has included two actions in the current Plan aimed at responding to this expectation.

The first of these, to *identify the perceptions that stakeholders have of the company's behaviour, with the aim of taking actions that contribute to improve them* will be carried out in 2013 and will consist in an analysis of this perception in the different countries where Repsol operates. For this, the company will carry out a research programme that will contemplate the various stakeholders, covering social and reputational aspects among others.

With this action, Repsol will not only attend to the expectation mentioned earlier but, indirectly, will be able to respond to others related with it such as to “consult representative groups of the community to determine the social investment and development activities for same”.

In line with the previous action, during 2013-2014, Repsol will carry out a second action with the aim of *improving the understanding of stakeholders' perceptions*. This will seek an improvement in the analysis mechanisms being used, contributing with these to the obtaining of clearer information on this perception.

- **Expectation: Maintain close relations with the media at all times and not only in Spain but at an international level.**

With the aim of reporting with transparency on the company's actions and strategy, Repsol has introduced an action in the Plan to *maintain relations with the media, with maximum transparency, that facilitate to the maximum, knowledge and the following of our company*.

With this action, the company will encourage meetings with journalists to promote and foster transparency, and will continue taking advantage of the requests for collaboration received from daily newspapers, magazines and other media. Repsol will seize these opportunities to report on key aspects for stakeholders such as the factors that influence variations in the price of fuel, the environmental performance of the company or the strategy that this follows.

- **Expectation: Carry out initiatives to strengthen the capacities and opportunities of those suppliers located in the local area.**

With the aim of contributing to wealth generation in the areas in which it operates, the company has included an action in the Plan to *encourage local development through the inclusion of local suppliers and contractors*.

The action will consist in analysing the current situation regarding the local purchasing and contracting that the company carries out in order to propose possible courses of action. With this, Repsol will not only respond to the previous expectation but to others related with it, such as to “give preference to the products and services of local suppliers”.

- **Expectation: Have communication systems to manage community relations.**

Repsol has specific management systems to respond to this expectation in each one of its locations. Additionally, within the framework of the Sustainability Plan the company has included two actions to strengthen its performance in one of the specific sections related with communication with communities, to manage the recognition that it receives.

The first action, to *define the model for the management of the recognition that stakeholders give to Repsol with the aim of improving it*, will be carried out through the

design and launch of a Corporate Reputation Strategic Plan. This will unify the criteria used on a global level and will permit the knowing in detail of deviations that occur between the real performance of the company and the recognition that it receives for this.

In the same way, within the framework of the management of recognition by stakeholders, during the 2013-2014 period, Repsol will launch a second initiative for the implementation of various actions to *improve the recognition of our stakeholders*. These actions will consist in various transversal improvement plans with which the company will seek to optimise the internal and external recognition that it receives.

- **Expectation: Have a transparent relationship with local communities.**

In addition to the other actions already being carried out by the company in this sense, Repsol has included an action in its Sustainability Plan aimed specifically at strengthening transparency in its relations with stakeholders.

This action, to *raise awareness of our operations among civil society organisations*, will consist in the making of a visit to one of our exploration and production operations in Latin America, with a group of organisations from different areas of civil society.

With this, the company will show these local community representatives the way in which its activities are carried out, as well as the actions and management systems launched to minimise environmental and social impacts that could be generated. This will also permit the strengthening of the company's response to another key expectation which is to "inform communities affected by operations on the environmental impacts of these".

- **Expectation: Promote and support education at all levels/ Promote cultural activities.**

During 2013, the company will carry out an action to *promote interest in science, technology and respect for the Environment*.

This initiative, named *Aula móvil*, intends to contribute to the educational, environmental and cultural development of society and will be fundamentally aimed at informing on the activities carried out by petrochemical refineries and plants, the use of crude oil and its derivatives, as well as aligning Repsol's commitment with energy efficiency. For this, various exhibitions will be held using the company's *Aula móvil* as well as other informative material on the corporate website.

The development of the action will also permit the fostering of interest in science and respect for the Environment among schoolchildren.

- **Expectation: Promote and support citizens so that they act as volunteers in services to the community.**

With regards to the promotion of volunteering, Repsol has included two actions in its Sustainability Plan.

The first of these, to *generate a culture of solidarity among employees*, will specifically focus on the company's employees as an integral part of the communities in which it operates and will entail the development of a corporate volunteering programme that, among other benefits, will lead to a greater protection of the values held by the company and its employees towards the society affected by our activities.

This action will be complemented by a second, to *promote a social volunteering plan*, through which the company will try to respond to the social concerns of those people who make up Repsol's stakeholders, especially employees and their families, developing activities with a high impact on society.

- **Expectation: Contribute to programmes that provide vulnerable groups with access to food and other essential products.**

With the aim of responding to this expectation, the company will develop an action to *interact and collaborate with the social needs of those areas nearest to us, according to the values of rigour and transparency*. For this, it will launch the initiative "Más que palabras" for the second consecutive year which is designed for projects presented and supported by Repsol's employees that promote improvements in the quality of life of vulnerable groups, promote social integration or attend to the sensitive needs of specific collectives.

- **Expectation: Participate in alliances with universities or research laboratories in order to improve scientific development and to employ local personnel for this task.**

Collaboration with the public R&D system is another of the ways by which the company strengthens its commitment with the communities where it is present. For this, it has incorporated an action in the Plan to *invest in R&D through public research institutions*.

With regards to this action, Repsol will invest in various research and development projects that will be carried out using contracts and/or collaborative agreements with universities and other public research centres in Spain.

- **Expectation: Promote and support education at all levels and participate in actions that improve the quality of education and access to same.**

Within the framework of this expectation, the company will launch an action during the period of the current Plan, to *promote science and technology among students*, through which it will hold various seminars and training sessions in the Repsol Technology Centre for secondary education, high school and university students.

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 | Improve the positive impacts generated by our social investment. |
| DESCRIPTION | We will promote the application of the guide for the management of social investment and develop a computer system for the collecting of information on social investment, with the aim of maximising its benefits for society. |
| INDICATOR | <ul style="list-style-type: none"> - Social investment guide modified. - Social investment reporting tool. |
| YEAR IMPLEMENTED | 2013 |

| | |
|-------------------------|---|
| ACTION | Identify the perceptions that stakeholders have of the company's behaviour, with the aim of taking actions that contribute to improve them. |
| DESCRIPTION | We will carry out an analysis of the perception of the company in the different countries where it operates. We will carry out a research programme that will contemplate the various stakeholders and, among others, will cover social and reputational aspects. |
| INDICATOR | Three studies in three different countries before 2013. |
| YEAR IMPLEMENTED | 2013 |

| | |
|------------------|--|
| ACTION | Promote a social volunteering plan. |
| DESCRIPTION | We will respond to the social concerns of those people that make up Repsol's stakeholders, especially employees and their families, developing activities with a high impact on society. |
| INDICATOR | <ul style="list-style-type: none"> - Number and description of the programmes launched. - Number of awareness raising actions on volunteering. - Implementation of volunteering programmes in the neediest areas. |
| YEAR IMPLEMENTED | 2013 |

| | |
|------------------|--|
| ACTION | Promote interest in science, technology and respect for the Environment. |
| DESCRIPTION | We will carry out an initiative (<i>Aula móvil</i>) that intends to contribute to the educational, environmental and cultural development of society, and whose principal objective is to inform on the activities carried out in petrochemical refineries and plants, the use of crude oil and its derivatives, as well as aligning the commitment of Repsol with energy efficiency. With this space it also intends to foster interest in science and respect for the Environment among school children. |
| INDICATOR | <ul style="list-style-type: none"> - Number of populations visited by the <i>Aula móvil</i>. - Number of people that attended the awareness sessions in the <i>Aula móvil</i>. - Active webpage. |
| YEAR IMPLEMENTED | 2013 |

| | |
|------------------|--|
| ACTION | Interact and collaborate with the social needs of those areas nearest to us, according to the values of rigour and transparency. |
| DESCRIPTION | <p>For the second consecutive year, we will launch the “<i>Más que palabras</i>” initiative, designed for projects presented and supported by Repsol’s employees that promote improvements in the quality of life of vulnerable groups, promote social integration or attend to the sensitive needs of specific collectives.</p> <p>The initiatives chosen will be those that best represent the values of solidarity and integration that the Repsol Foundation promotes.</p> |
| INDICATOR | <ul style="list-style-type: none"> - Launch of the communication on the initiative’s launch. - Evaluation of projects. - Presentation of the projects selected. - Number of projects financed. - Description of the projects financed. |
| YEAR IMPLEMENTED | 2013 |

| | |
|------------------|--|
| ACTION | Define the model for the management of the recognition that stakeholders give to Repsol with the aim of improving it. |
| DESCRIPTION | <p>We will design and launch a Corporate Reputation Strategic Plan that will unify the criteria used on a global level, which will permit us to know in more detail about gaps between our real performance and the recognition that we receive.</p> |
| INDICATOR | <ul style="list-style-type: none"> - Minimum of three internal communications on the reputational vision and values. - Number of improvement plan actions implemented per year. |
| YEAR IMPLEMENTED | 2013 |

| | |
|------------------|--|
| ACTION | Maintain relations with the media, with maximum transparency, that facilitate to the maximum, knowledge and the following of our company. |
| DESCRIPTION | <p>We will hold both formal and informal meetings with journalists to promote and encourage transparency.</p> <p>We will take advantage of requests for collaboration in daily newspapers, magazines, special editions in the written press and specific radio and television programmes of a national character to inform on the company's actions and strategy.</p> <p>Furthermore, within the framework of this action:</p> <ul style="list-style-type: none"> - We will inform about the factors that influence variations in fuel prices. - We will communicate the company's environmental performance with transparency. - We will report on the company's strategy. |
| INDICATOR | <ul style="list-style-type: none"> - Three reports and/or interviews per year, as well as informal contacts with the principal leaders in opinion. - Number of bulletins called "News" sent to all the journalists included in our database as internationals, nationals and regionals. - Publication of this bulletin, Newsletter, on the intranet for it to be read by all employees. |
| YEAR IMPLEMENTED | 2013 |
| ACTION | Invest in R&D through public research institutions. |
| DESCRIPTION | <p>We will encourage public R&D through investments in research and development projects carried out using contracts and/or agreements for collaboration with universities and other public research centres.</p> |
| INDICATOR | Millions of Euros per year. |
| YEAR IMPLEMENTED | 2013 |

ACTION**Promote science and technology among students.**

DESCRIPTION

We will hold seminars and training sessions for secondary education, high school and university students in the Repsol Technology Centre.

INDICATOR

Hours per year dedicated to this task.

YEAR IMPLEMENTED

2013

ACTION**Improve the recognition of our stakeholders.**

DESCRIPTION

We will launch transversal improvement plans for the optimisation of Repsol's internal and external recognition.

INDICATOR

- Number of communications related with the vision and values.
- Recognitions obtained during the year.
- Results of the research on reputational risk management.

YEAR IMPLEMENTED

2013-2014

ACTION**Encourage local development through the inclusion of local suppliers and contractors.**

DESCRIPTION

We will analyse in detail the current situation with regards to local purchasing and contracting, and we will propose possible courses of action.

INDICATOR

- Methodology defined for the obtaining of local content on our company.
- Evidence of the active promotion of local information in those locations identified as being under the threshold.

YEAR IMPLEMENTED

2013-2014

| | |
|------------------|---|
| ACTION | Improve the understanding of stakeholders' perceptions. |
| DESCRIPTION | We will improve the analysis mechanisms for a better understanding of Repsol's reputation among its stakeholders. |
| INDICATOR | <ul style="list-style-type: none"> - Prototype of the balanced scorecard in operation. - Online conversation reports. - Tracking reports of the reputation among stakeholders. |
| YEAR IMPLEMENTED | 2013-2014 |
| ACTION | Generate a culture of solidarity among employees. |
| DESCRIPTION | We will project our corporate values in society through volunteering and social action activities, developing a corporate volunteering programme. |
| INDICATOR | <ul style="list-style-type: none"> - Corporate volunteering programme. - Number of countries subscribed to the volunteering programme. |
| YEAR IMPLEMENTED | 2013-2014 |
| ACTION | Raise awareness of our operations among civil society organisations. |
| DESCRIPTION | We will make a visit to one of our exploration and production operations in Latin America with a group of organisations from different areas of civil society. |
| INDICATOR | Visit to one of Repsol's exploration and production operations in Latin America. |
| YEAR IMPLEMENTED | 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.

