



2013-2014

Sustainability Plan for Ecuador

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LEGAL NOTICE

The Sustainability Plan for Ecuador 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 in Ecuador, based on the following sources:

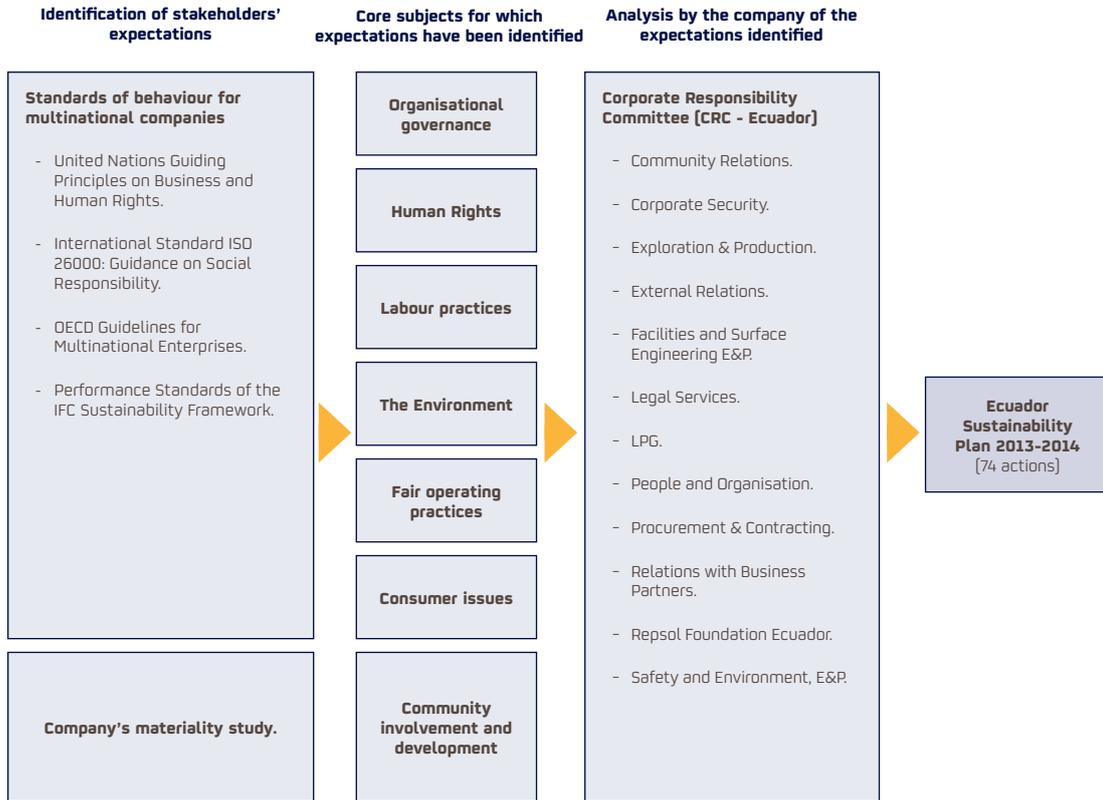
- Interviews with organisations of reference from Ecuador's civil society that belong, fundamentally, to the academic field, environmental, social and ethical NGOs, indigenous organisations; and trade union federations.
- Interviews with representatives of public administrations that have the relevant competencies concerning Repsol's activity.
- Interviews with organisations that belong to the company's value chain in the country, such as suppliers and commercial partners.
- National and international press articles related with the activity of oil companies in Ecuador.
- Evaluation analysis on the expectations and opinion of the local community performed in Block 16.
- Interviews with the company's employees.
- Work climate studies carried out in the country.

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

- Community Relations.
- Corporate Security.
- Exploration & Production.
- External Relations.
- Facilities and Surface Engineering E&P.
- Legal Services.
- LPG.
- People and Organisation.
- Procurement & Contracting.
- Relations with Business Partners.
- Repsol Foundation Ecuador.
- Safety and Environment, E&P.

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

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



The result of this analysis is the current 2013-2014 Sustainability Plan for Ecuador, 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 74 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 the Environment and labour practices have been the ones that involve the greatest number of actions.

-Distribution of the actions of the Sustainability Plan for Ecuador by action programmes-

PROGRAMMES	Number of actions
Organisational governance	12
Human Rights	5
Labour practices	17
The Environment	15
Fair operating practices	11
Consumer issues	1
Community involvement and development	13

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

76% of the actions included in this plan are linked to the variable remuneration system for Repsol's employees, which constitutes an unequivocal commitment on the part of the company with the effective maximisation of its contribution to sustainable development.



Stakeholders' expectations and the corresponding actions of the Plan

Programme 1

Organisational Governance

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

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

Furthermore, the company has added twelve 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: Create an environment and culture in which socially responsible principles are practiced.

Expectation: Guarantee the publication of accurate reports on all the significant aspects of the company.

Expectation: Incorporate accountability and transparency principles into the company's decision making and implementation processes.

Expectation: Have more transparent operations in the country, be more visible and provide necessary and adequate information on Repsol's operations to the company's stakeholders.

Expectation: Establish bidirectional communication processes with our stakeholders.

Actions included in the programme:

1. Increase the company's participation in public dialogue regarding aspects related to Corporate Responsibility.
2. Improve accountability on our ethical, social and environmental impacts in Ecuador.
3. Create and maintain a corporate culture in the LPG business in Ecuador, in which the principles of Corporate Responsibility are practiced.
4. Raise awareness among stakeholders on the Exploration and Production operations in Ecuador.
5. Develop a proactive relationship with the media, opinion leaders and other civil society organisations within the framework of transparency.
6. Subject Repsol's environmental performance in Ecuador to public scrutiny.
7. Train our Exploration and Production personnel in Ecuador on ethical, environmental and Human Rights aspects.
8. Encourage the use of various digital information channels to report on Repsol's activities in Ecuador.
9. Promote transparency by establishing bidirectional communication channels with the company's stakeholders.
10. Promote accountability and transparency principles within the organisational culture.
11. Promote continuous dialogue with Ecuador's civil society.
12. Promote internal and external transparency with regards to the ethical, social and environmental performance of Repsol's Exploration and Production activities in Ecuador.

- **Expectation: Create an environment and culture in which socially responsible principles are practiced.**

Repsol has included three specific actions in its Ecuador Sustainability Plan to reinforce the integration of the principles of Corporate Responsibility in the company's culture.

The first of these, *-create and maintain a corporate culture in the LPG business in Ecuador, in which the principles of Corporate Responsibility are practiced-*, consists in the development of a training program aimed specifically at the business's top management. With this, the objective is to increase the consciousness of this group as well as equipping it with tools to encourage the rest of the team to carry out their activities according to these principles.

Also, in the area of training, the company has included a second action in the Plan to *train our Exploration and Production personnel in Ecuador on ethical, environmental and Human Rights aspects*. This will be carried out during 2013 and will consist in the holding of capacity building workshops focused on these aspects.

Another of the ways in which Repsol wishes to reinforce its link with the principles of Corporate Responsibility and integrate them into its decision making processes, is through the company's connection with the principal initiatives in this field that are promoted by the Public Administration. Therefore, in the current edition of the Plan another action has been introduced to *subject Repsol's environmental performance in Ecuador to public scrutiny*.

As part of this action, Repsol will study the existence of possible environmental awards for business activity that are awarded by the State, in order to evaluate their requirements as well as the likelihood of the company in obtaining them.

- **Expectation: Guarantee the publication of accurate reports on all the significant aspects of the company.**

In order to respond to this expectation, Repsol has included an action in the current Plan to *improve accountability on our ethical, social and environmental impacts in Ecuador.*

For this, in the next editions of the Corporate Responsibility Report, the company will incorporate comments made by independent third parties to give the reported information more clarity, simplicity and quality. This method will also mean that the contents of this report will be better orientated to the information on real expectations that exists among stakeholders.

- **Expectation: Have more transparent operations in the country, be more visible and provide necessary and adequate information on Repsol's operations to the company's stakeholders.**

In the area of promoting the company's transparency and visibility for stakeholders, Repsol has incorporated six actions in the current Sustainability Plan.

The first of these consists in *developing a proactive relationship with the media, opinion leaders and other civil society organisations within the framework of transparency.* This will be based on the adoption of an open doors policy by the company which will lead to, among other initiatives, a greater dissemination of information and even visits by stakeholders to Block 16's crude production facilities.

This action will be complemented by two others, *to raise awareness among stakeholders on the Exploration and Production operations in Ecuador and to promote internal and external transparency with regards to the ethical, social and environmental performance of these activities in Ecuador.* As well as encouraging the visits already mentioned, an effort to disseminate the Corporate Responsibility Report among stakeholders and Repsol's employees will be incorporated.

As part of this information and communication effort, the company wants to reinforce the role played by digital media for which it has included another action to *encourage the use of various digital information channels to report on Repsol's activities in Ecuador.*

Finally, and with the aim of responding to the expectation mentioned earlier, the company has included two other actions to strengthen dialogue processes with society. These will be to *increase the company's participation in public dialogue regarding aspects related to Corporate Responsibility and to promote continuous dialogue with Ecuador's civil society.*

Along with these, as well as promoting meetings with public administrations, meetings with civil society organisations will be encouraged through those that identify initiatives and projects in which Repsol could participate.

- **Expectation: Establish bidirectional communication processes with our stakeholders.**

The establishing of bidirectional dialogue processes with our stakeholders will be another of the areas in which Repsol will progress in the current period of the present Sustainability Plan.

For this, an action has been incorporated *to promote transparency by establishing bidirectional communication channels with the company's stakeholders*. This action will require the design of an effective and direct accountability mechanism that will enable the monitoring of dialogue processes and the conclusions reached, and will lead to, among other things, a map of the company's stakeholders and the generation of records of the meetings held, as well as the concerns brought up in them.

- **Expectation: Incorporate accountability and transparency principles into the company's decision making and implementation processes.**

Accountability and transparency constitute fundamental principles in the company's activity and in the processes through which decisions are taken.

Therefore, in addition to the other initiatives that have been carried out in this area, Repsol has incorporated in the present Sustainability Plan another action *to promote accountability and transparency principles within the organisational culture*.

This will consist of an awareness campaign among employees on the importance of reporting immediately and accurately on relevant safety and environmental accidents when they occur. For this, the company will base its approach on the Crisis Communication Manual that has already been developed.

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	Create and maintain a corporate culture in the LPG business in Ecuador, in which the principles of Corporate Responsibility are practiced.
DESCRIPTION	We will implement a training programme on Corporate Responsibility for the LPG business's top management in Ecuador, with the aim of increasing the consciousness of this group, as well as equipping it with the tools needed to lead and encourage the LPG business unit team in Ecuador, in the area of Corporate Responsibility.
INDICATOR	<ul style="list-style-type: none"> - Designed training programme. - Implementation of the programme.
YEAR IMPLEMENTED	2013

ACTION	Train our Exploration and Production personnel in Ecuador on ethical, environmental and Human Rights aspects.
DESCRIPTION	We will impart capacity building workshops to our Exploration and Production personnel in Ecuador that incorporate ethical behaviour aspects and respect for the Environment and Human Rights.
INDICATOR	Completion of four workshops in the year.
YEAR IMPLEMENTED	2013

ACTION	Subject Repsol's environmental performance in Ecuador to public scrutiny.
DESCRIPTION	We will study the existence of possible environmental awards for business activity by the Ecuadorian Government, in order to evaluate their requirements and the likelihood of the company in obtaining them. Compliance with the requirements that are necessary to obtain these awards will be another of the criteria that guide our decision making processes in the country, to guarantee in this way that our activity is carried out in conformity with these best standards.
INDICATOR	Identifying that this type of specific award exists and, in the case that they do, subjecting Repsol to at least one of them.
YEAR IMPLEMENTED	2013

ACTION	Increase the company's participation in public dialogue regarding aspects related to Corporate Responsibility.
DESCRIPTION	As part of our institutional relations activities framework, we will work so that, both in meetings with governmental entities and during our participation in other public activity forums; we raise awareness of our initiatives and performance in the area of Corporate Responsibility (e.g. the Environment, project and operational efficiency, the social dimension of our activities, etc.).
INDICATOR	<ul style="list-style-type: none"> - Optimisation of Repsol's explicative material for presentations made to government organisations to make it accessible and dynamic (at least two). - Support of local campaigns to raise awareness of the Right of Way (RoW) and others that are required (at least two). - Submit relevant information to the Agency for the Regulation and Control of Hydrocarbons (ARCH) and the Secretary of Hydrocarbons (an annual report). - Meetings of the company's Country Manager with official representatives linked to Repsol's activity in Ecuador (at least four). - Identification of official forums in which Repsol can present its policies.
YEAR IMPLEMENTED	2013

ACTION	Encourage the use of various digital information channels to report on Repsol's activities in Ecuador.
DESCRIPTION	We will carry out a pilot project in Repsol Ecuador to strengthen the content and information on our activity in the country that is found in our company's digital communication channels, as part of our policy of transparency and submission to public scrutiny.
INDICATOR	<ul style="list-style-type: none"> - Putting the pilot project into action. - Launch and presentation of the channel. - Measuring and results reports.
YEAR IMPLEMENTED	2013

ACTION	Promote continuous dialogue with Ecuador's civil society.
DESCRIPTION	We will organise visits to raise awareness of our operations among Ecuador's civil society organisations. The company will participate in active dialogue with these organisations to identify initiatives or projects in which Repsol could participate.
INDICATOR	<ul style="list-style-type: none"> - Organisation of visits to the sphere of influence with various civil society groups (at least 3). - To detect initiatives in which Repsol could participate (at least 2). - Generate community support initiatives in order to build bridges (at least 2). - Increasing the coverage and influence of the blog.
YEAR IMPLEMENTED	2013

ACTION	Promote internal and external transparency with regards to the ethical, social and environmental performance of Repsol's Exploration and Production activities in Ecuador.
DESCRIPTION	We will carry out specific actions for an improved internal and external communication of our social, environmental and ethical performance, and to raise awareness of our Exploration and Production operations.
INDICATOR	<ul style="list-style-type: none"> - Dissemination of the 2012 Corporate Responsibility Report (CRR) to stakeholders and employees. - To promote visits to Block 16's crude production facilities in order to raise awareness of operations there and to interchange issues of interest with the company's personnel.
YEAR IMPLEMENTED	2013

ACTION	Develop a proactive relationship with the media, opinion leaders and other civil society organisations within the framework of transparency.
DESCRIPTION	We will carry out various actions aimed at communicating our activities and our presence in Ecuador in a transparent manner, using the company's open door policy that enables, among other things, the dissemination of information and the carrying out of visits to Block 16's crude production facilities.
INDICATOR	<ul style="list-style-type: none"> - Report on the generation of expectations and the evaluation of compliance with them. - Number of visits made to Block 16. - Carrying out of a perception study.
YEAR IMPLEMENTED	2013

ACTION	Improve accountability on our ethical, social and environmental impacts in Ecuador.
DESCRIPTION	<p>With the aim of progressing in the aligning of our Ecuador Corporate Responsibility Report with our stakeholders' expectations, we will implement changes based on the commentaries made by independent third parties, designed for a greater clarity, simplicity and quality of the reported information.</p> <p>Furthermore, we will launch a proactive plan for the dissemination and promotion of our annual Corporate Responsibility Report, as well as social and environmental best practices.</p>
INDICATOR	2013 and 2014 Corporate Responsibility Reports.
YEAR IMPLEMENTED	2013 – 2014

ACTION	Promote accountability and transparency principles within the organisational culture.
DESCRIPTION	We will communicate to Repsol Ecuador's employees the importance of reporting immediately and accurately, internally and externally, on relevant safety and environmental accidents when they occur.
INDICATOR	<ul style="list-style-type: none"> - Internal dissemination of the philosophy and parameters of the Crisis Communication Manual. - Programmed dissemination of internal and external of the information of the 2012 Corporate Responsibility Report [CRR].
YEAR IMPLEMENTED	2013-2014

ACTION	Raise awareness among stakeholders on the Exploration and Production operations in Ecuador.
DESCRIPTION	We will carry out a visiting programme for internal and external stakeholders, with the aim of divulging, in a transparent manner, Repsol's Exploration and Production management model in Ecuador and particularly, information on crude production operations at Block 16, located in the Ecuadorian Amazon.
INDICATOR	<ul style="list-style-type: none"> - Number of programmed visits with respect to visits carried out. - To have a visitor's book and establish statistics on general opinions.
YEAR IMPLEMENTED	2013 – 2014

ACTION	Promote transparency by establishing bidirectional communication channels with the company's stakeholders.
DESCRIPTION	We will design an effective and direct accountability mechanism that establishes bidirectional communication processes with stakeholders. Monitoring of the dialogue processes and the results obtained will be performed.
INDICATOR	<ul style="list-style-type: none"> - Stakeholder map to set up dialogue workshops (at least eight). - Records of meetings that establish the interest shown and achievements made, as well as weaknesses to overcome. - Recording and monitoring of the concerns brought up in the workshops. - Elaboration of communications in which information is given in an accessible manner (at least two).
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, five actions have been assigned to this subject in the current Sustainability Plan, which are aimed at responding to the principal expectations of the company's stakeholders.

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

Human Rights Programme	
<p>Expectation: Make public declarations or take other actions that show that the company will not consent to Human Rights abuses, such as acts of labour discrimination in the country in question.</p>	<p>Expectation: Include an evaluation of the real and potential impact of activities on Human Rights.</p>
<p>Expectation: Guarantee the control of the external colonisation of areas of ancestral communities.</p>	<p>Expectation: Provide adequate training for security personnel (employees, contractors or sub-contractors) on adhering to Human Rights standards.</p>
<p>Expectation: Identify the general areas that represent the greatest risk of real or potential negative impacts on Human Rights, and give priority to the carrying out of due diligence in these areas.</p>	
<p>Actions included in the programme:</p> <ol style="list-style-type: none"> Promote respect for Human Rights, working with the United Nations Global Compact. Evaluate Human Rights impacts as part of the environmental impact assessment process, in the new LPG plant of Guayaquil project. Collaborate in the control of possible colonisation in areas of ancestral communities that intersect with our crude production operations in Block 16. Train security personnel on Human Rights. Design action plans to manage potential emergency situations in our operations. 	

- **Expectation: Make public declarations or take other actions that show that the company will not consent to Human Rights abuses, such as acts of labour discrimination in the country in question.**

In addition to the actions adopted at corporate level to guarantee the respect of Human Rights, as well as the systems that function in the countries in which this issue may be sensitive, Repsol has included a specific action in the Ecuador Sustainability Plan.

This will consist in *promoting respect for Human Rights, working with the United Nations Global Compact*, for which the company will participate in the specific round table created by this institution in the country. This will not only constitute a new public demonstration by the company in relation to its policy on this issue, but will facilitate working with other companies to find new mechanisms to promote respect for these rights.

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

Given the closure of the El Salitral Plant, Repsol is working on the new LPG facility project in Guayaquil.

For this, and given the risks that this type of activity may represent concerning the respect of Human Rights, the company has incorporated an action in the plan through which it will *evaluate Human Rights impacts as part of the environmental impact assessment process, in the new LPG plant of Guayaquil project*.

For this, the Corporate Environmental, Social and Health Impact Assessment Standard will be applied that is already used by the company. This standard, among other issues, pays special attention to those related with respect for the Human Rights of those people who could be affected by the construction of the new installation.

- **Expectation: Guarantee the control of the external colonisation of areas of ancestral communities.**

The arrival of external settlers to the areas in which Repsol is carrying out its operations could represent a risk for the Human Rights of the inhabitants, especially when these belong to ancestral communities.

For this, and to limit this risk in the areas in which the company operates in the Yasuni National Park, Repsol has introduced in this Plan a suitable measure to *collaborate in the control of possible colonisation in areas of ancestral communities that intersect with our crude production operations in Block 16*.

This action will be implemented through the programming and execution of two annual patrols along the principal waterways that are considered as critical with regards to a potential attempt at colonisation. This work will involve personnel from the Environmental Ministry (Yasuni National Park) as well as delegates from the Kichwa and Waorani communities.

After the inspection a report will be put together of the results and new developments identified, which will be made known to the office of the National Park as well as the leaders of each community. Furthermore, to carry out this task the presence of security forces will always be managed at the request of the communities themselves.

- **Expectation: Provide adequate training for security personnel (employees, contractors or sub-contractors) on adhering to Human Rights standards.**

The protection of facilities by public and private security forces is an activity subject to diverse Human Rights risks.

For this, Repsol has included a specific action in the Plan to respond to this expectation, which is to *train security personnel on Human Rights*.

As part of this initiative a Human Rights training course will be given each year during the 2013-2014 period, which 70% of the workforce will attend. The training imparted will be complemented with the regular sending of information on this issue as well as checks on its effectiveness, using an evaluation questionnaire on the aspects learned.

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

The occurrence of emergency situations in the company's facilities can have various negative consequences on the physical safety of the people and the medium where they reside and carry out their activities.

With the aim of avoiding these types of risks and managing them, in the case of them occurring, Repsol has incorporated in the current Plan, an action to *design action plans to manage potential emergency situations in our operations*. This initiative will be developed, fundamentally, through the development of a safety plan that will include both the carrying out of a risk analysis and contingency and first response plans, in case one of these events takes place.

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	Evaluate Human Rights impacts as part of the environmental impact assessment process, in the new LPG plant of Guayaquil project.
DESCRIPTION	We will apply the Corporate Environmental, Social and Health Impact Assessment Standard that incorporates the evaluation of the Human Rights impacts of our activities, in the new LPG plant project of Guayaquil, after the closure of the current plant of El Salitral.
INDICATOR	Environmental, social and health impact assessment carried out according to the corporate standard.
YEAR IMPLEMENTED	2013

ACTION	Design action plans to manage potential emergency situations in our operations.
DESCRIPTION	We will develop a Safety Plan that includes risk analyses, contingency plans, and first response plans (emergency plans, instructions, emergency manuals, etc.).
INDICATOR	Safety Plan developed.
YEAR IMPLEMENTED	2013

ACTION	Promote respect for Human Rights, working with the United Nations Global Compact.
DESCRIPTION	We will promote respect for Human Rights by companies through participation in the round table created in the year 2012, within the Ecuadorian United Nations Global Compact Network.
INDICATOR	At least two activities to be carried out per year within the round table.
YEAR IMPLEMENTED	2013-2014

ACTION	Collaborate in the control of possible colonisation in areas of ancestral communities that intersect with our crude production operations at Block 16.
DESCRIPTION	<p>We will plan and carry out two annual patrols along the principal waterways that are considered as critical with regards to a potential attempt at colonisation. This work will be performed with personnel from the Environmental Ministry (Yasuni National Park) as well as delegates from the Kichwa and Waorani communities. Afterwards, a report will be put together of the results and new developments, which will be made known to the office of the Yasuni National Park and the leaders of the Kichwa and Waorani communities.</p> <p>We will manage the presence of security forces at the request of the communities themselves, so that they participate in and accompany these biannual patrols.</p>
INDICATOR	Patrols carried out, reports and findings made known to the Environmental Ministry (PNY) and community leaders.
YEAR IMPLEMENTED	2013 – 2014
ACTION	Train security personnel on Human Rights.
DESCRIPTION	<p>We will provide Human Rights courses each year (in which 70% of the workforce will participate) and we will send regular information to reinforce that taught in the course.</p> <p>We will carry out three checks on the effectiveness of the courses, and the knowledge acquired, using an evaluation questionnaire (to be completed by 100% of personnel).</p>
INDICATOR	Number of security personnel who participate in the courses, over the total workforce dedicated to this role.
YEAR IMPLEMENTED	2013- 2014

Programme 3

Labour practices

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

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

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

Furthermore, seventeen 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		
Expectation: Continue working for the professional development of women at all levels of the company.	Expectation: Guarantee the health and safety of employees and contractors.	Expectation: Launch specific talent retention programmes for the talent that exists in-house.
Expectation: Provide working conditions that enable employees to reconcile family and working life.	Expectation: Provide access to training and opportunities for professional development.	Expectation: Ensure that working conditions are in line with national and international regulations.
Expectation: Strengthen internal communication in the area of human resources.	Expectation: Provide a fair pay for the value of the work performed.	Expectation: Promote awareness of and compliance with the company's policies.
Expectation: Align promotions and pay-rises with the results of performance evaluation processes.		

Actions included in the programme:

1. Work for the inclusion of women in the operational activities of Repsol's industrial divisions in Ecuador.
2. Identify, control and mitigate risks to the physical and mental health of Repsol Ecuador's employees.
3. Prevent accidents by carrying out incident investigations.
4. Guarantee the safety of employees and facilities by updating safety manuals and processes.
5. Improve the overland transport safety of our own fleet and that of our commercial LPG distributors in Ecuador.
6. Improve safety in the transport of LPG by our fleet in Ecuador.
7. Ensure that the working conditions of the employees of suppliers responsible for the transport of LPG in Ecuador comply with applicable labour legislation.
8. Ensure that the working conditions of the employees of LPG's commercial distributors and logistical operators in Ecuador comply with applicable labour legislation.
9. Promote the work-life balance of Repsol's employees in Ecuador by reducing overtime.
10. Implement an action plan to improve the work climate in Repsol in Ecuador.
11. Design an action plan to improve the satisfaction of Repsol's employees in Ecuador.
12. Protect equality among Repsol's employees in Ecuador.
13. Promote internal communication and dialogue with Repsol's employees in Ecuador.
14. Improve the compensation and recognition model for Repsol's employees in Ecuador.
15. Improve the satisfaction of employees in Repsol's LPG business unit in Ecuador.
16. Extend the promotion of conduct in line with the company's corporate values to the entire organisation.
17. Launch the new corporate values in Repsol Ecuador.

- **Expectation: Continue working for the professional development of women at all levels of the company.**

Repsol wants to progress in the integration and professional development of women in the different areas of activity of the company. For that, together with other policies and measures already implemented, in 2013, Repsol *will continue working for the inclusion of women in the operational activities of Repsol's industrial divisions in Ecuador.*

With this measure, the incorporation of a greater number of female workers in specific areas of the company will be encouraged. For example, in such activities as those of Block 16 or any of the activities carried out by the company's LPG plants.

- **Expectation: Guarantee the 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 connection of this issue with people's fundamental rights, occupational health and safety management requires the active promotion of the greatest level of wellbeing of workers that can be reasonably achieved; and a strong preventative approach regarding the negative impacts on health that can be caused due to working conditions.

In this field, apart from the management systems that are already in operation in the company, Repsol has introduced five actions in the current Plan that cover processes from the identification and control of risks that could affect the company's employees, through to the improvement of the working conditions of key service providers such as the transport of LPG.

The actions focused on Repsol's own employees will be to *identify, control and mitigate risks to the physical and mental health of Repsol Ecuador's employees; prevent accidents by carrying out incident investigations; and guarantee the safety of employees and facilities by updating safety manuals and processes.*

To these three are added two others that are aimed at strengthening the safety of transport processes as well as that of the contractors who carry them out. These are to *improve the overland transport safety of our own fleet and that of our commercial LPG distributors in Ecuador; and to improve safety in the transport of LPG by our fleet in Ecuador.*

- **Expectation: Ensure that working conditions are in line with national and international regulations.**

The company's interest in providing its professionals with working conditions that are dignified and in line with legislation, extends to the organisations that make up our value chain.

For this, in the current Plan, Repsol has included two relevant actions; to *ensure that the working conditions of the employees of suppliers responsible for the transport of LPG in Ecuador comply with applicable labour legislation; and to ensure that distributors and logistical operators of the company comply with identical requirements concerning their employees.*

With these, Repsol will guarantee that the companies that collaborate with it, in critical services such as these, operate in accordance with what is legally demanded of them in the relevant documents.

- **Expectation: Launch specific talent retention programmes for the talent that exists in-house.**

With the aim of retaining the talent that exists in the company and improving the satisfaction of employees, Repsol has included two specific actions in the current plan.

The first of these is to *continue to implement an action plan to improve the work climate in Repsol in Ecuador* that was defined and begun the previous year. This will be complemented, by the beginning of efforts to *design an action plan to improve the labour satisfaction of Repsol's employees*, whose fundamental aim will be to reduce the percentage of annual turnover that was recorded in the workforce in 2012.

- **Expectation: Provide working conditions that enable employees to reconcile family and working life.**

Reconciling family and working life is one of the most important aspects concerning the relationship between workers and the company. For this reason, in addition to the efforts made in recent years, a specific measure has been incorporated into the Plan to *promote the work-life balance of Repsol's employees in Ecuador by reducing overtime.*

This will be achieved in various ways, particularly by improving the planning of tasks in order to be able to reduce to a minimum the overtime dedicated by our employees during the working day.

- **Expectation: Provide a fair pay for the value of the work performed.**

The reduction and elimination of possible inequalities in employees' salaries is a priority for Repsol. For this, a specific action has been incorporated into the Plan to *protect equality among Repsol's employees in Ecuador*. In line with this, the company will continue carrying out the process of identifying any significant deviations in the salaries of workers in the country, correcting them in the case that they are found to exist.

- **Expectation: Strengthen internal communication in the area of human resources.**

The current Plan includes an action to respond to the expectation mentioned that is to *promote internal communication and dialogue with Repsol's employees in Ecuador*.

For this, the company will reinforce the formal channels that exist such as news releases, working breakfasts, electronic mail boxes, meeting programmes for employees under top management and information bulletins. Also, in the context of this action the Employee Support Service [ESS] will be relaunched.

The carrying out of these initiatives will contribute to responding to other expectations related with that mentioned previously and of equal importance for the company's workforce such as, e.g. inform employees and their representatives of the information which enables them to get a sense of the activity and results of the entity.

- **Expectation: Align promotions and pay-rises with the results of performance evaluation processes.**

The aligning of processes for promotion and pay-rises is one of the questions that have been highlighted by the recent editions of the work climate surveys carried out by the company.

In this context, an action has been included in the current Plan that specifically addresses this issue, this is to *improve the compensation and recognition model for Repsol's employees in Ecuador*.

Through this initiative an improved alignment of increases in retribution with the performance evaluation will be sought, guaranteeing at all times that the total wages distributed among employees, according to the selective increases concept, are a correct reflection of the results of the annual performance evaluation campaign [MxC]¹.

¹ Variable remuneration system for Repsol's employees (Management through Commitments).

- **Expectation: Provide access to training and opportunities for professional development.**

The development of the professionals who work in the company not only contributes to improvements in our performance but is a factor that positively influences the work climate in Repsol.

In this regard, the company has included a specific action in the current Plan to *improve the satisfaction of employees in Repsol's LPG business unit in Ecuador*, focusing particularly on the themes that affect their development. For this, the company will develop a Talent Retention Plan that specifically centres on these issues and that ultimately enables the strengthening of employees' dedication to their professional roles.

- **Expectation: Promote awareness of and compliance with the company's policies.**

Repsol will implement two actions to address this issue during the 2013-2014 period. These are to *extend the promotion of conduct in line with the company's corporate values to the entire organisation; and to launch the new corporate values in Repsol Ecuador*.

While the first will be based on internal campaigns to communicate those values that the company promotes, as well the imparting of training on ethical business to the second and third line of managers. The second will also entail an external effort to disseminate the five corporate values (innovation, integrity, flexibility, responsibility and transparency).

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	Extend the promotion of conduct in line with the company's corporate values to all of the organisation.
DESCRIPTION	We will carry out campaigns to communicate the values promoted by the company (innovation, integrity, flexibility, responsibility, transparency) and training will be given to the second and third line of managers on ethical business.
INDICATOR	Campaign carried out on the values and training for at least 90% of the second and third line of managers.
YEAR IMPLEMENTED	2013

ACTION	Protect equality among Repsol's employees in Ecuador.
DESCRIPTION	We will continue with the identification of significant deviations in the salaries of Repsol's employees in Ecuador, and if they are found to exist, we will cover the differences.
INDICATOR	Reduction of at least 50% of the cases detected each year, increasing the salaries to address the deviations.
YEAR IMPLEMENTED	2013
ACTION	Implement an action plan to improve the work climate in Repsol in Ecuador.
DESCRIPTION	We will continue with the implementation of the action plan that was defined and initiated in the year 2012 by carrying out the pending actions.
INDICATOR	Implementation of the action plan.
YEAR IMPLEMENTED	2013
ACTION	Promote the work-life balance of Repsol's employees in Ecuador by reducing overtime.
DESCRIPTION	We will perform various actions, including the improvement of task planning, in order to reduce our employees' overtime to a minimum.
INDICATOR	Percentage of overtime reduced per year.
YEAR IMPLEMENTED	2013

ACTION	Work for the inclusion of women in the operational activities of Repsol's industrial divisions in Ecuador.
DESCRIPTION	We will promote the incorporation of a greater number of women in the activities of Block 16 and LPG plants, whichever they may be, through various initiatives.
INDICATOR	Number of women incorporated into the workforce of each location.
YEAR IMPLEMENTED	2013
ACTION	Design an action plan to improve the satisfaction of Repsol's employees in Ecuador.
DESCRIPTION	We will define a plan for the retention of personnel to reduce the percentage of annual turnover recorded in 2012.
INDICATOR	<ul style="list-style-type: none"> - Plan of action defined. - Percentage of voluntary departures (< 54 persons or 10%/year).
YEAR IMPLEMENTED	2013
ACTION	Promote internal communication and dialogue with Repsol's employees in Ecuador.
DESCRIPTION	We will improve the organisation's formal communication channels: news releases, working breakfasts, electronic mail boxes, relaunch of the Employee Support Service (ESS), meeting programmes for employees under top management, information bulletins, etc.
INDICATOR	Actions carried out to promote internal communication and dialogue with employees.
YEAR IMPLEMENTED	2013

ACTION	Prevent accidents by carrying out incident investigations.
DESCRIPTION	We will investigate 100% of the incidents that occur and that have been validated by the management system of accidents (GAMA) associated with Ecuador's LPG business unit. We will also study the basic causes of these in order to avoid similar incidents from happening again.
INDICATOR	Number of incidents investigated with basis causes / Number of events validated in GAMA.
YEAR IMPLEMENTED	2013
ACTION	Improve the overland transport safety of our own fleet and that of our commercial LPG distributors in Ecuador.
DESCRIPTION	We will design and implement a training and awareness programme on safe driving for drivers in Repsol's own fleet and that of our commercial LPG distributors in Ecuador.
INDICATOR	Training programme implemented.
YEAR IMPLEMENTED	2013
ACTION	Improve safety in the transport of LPG by our fleet in Ecuador.
DESCRIPTION	We will organise driver safety days for drivers in the LPG transport fleet managed by Repsol in Ecuador.
INDICATOR	Driver safety days completed over the total driver safety days planned.
YEAR IMPLEMENTED	2013

ACTION	Improve the compensation and recognition model for Repsol's employees in Ecuador.
DESCRIPTION	We will align increases in retribution with performance evaluations, ensuring that the total wages distributed among employees, according to the selective increases concept, are a correct reflection of the results of the annual performance evaluation campaign (MxC) and are not distributed for other different reasons.
INDICATOR	Percentage of total wages used for selective increases (Performance) with respect to the original budget.
YEAR IMPLEMENTED	2013-2014
ACTION	Identify, control and mitigate risks to the physical and mental health of Repsol Ecuador's employees.
DESCRIPTION	We will establish control measures and improvement actions for the indicators detected in 2012 with respect to the psychological risk factors identified according to the Psychological Risk Evaluation Methodology (ISTAS21) and the 2012 health diagnosis regarding possible occupational and common diseases.
INDICATOR	Improve the 2012 ISTAS21 indicators and the 2012 health diagnosis beating the results of the 2013 SART friendly audit (Occupational Risk Audit System).
YEAR IMPLEMENTED	2013-2014
ACTION	Guarantee the safety of employees and facilities by updating safety manuals and processes.
DESCRIPTION	We will update the safety manuals and processes to ensure the safety of employees.
INDICATOR	Number of manuals and processes updated over the total number of safety manuals and processes.
YEAR IMPLEMENTED	2013- 2014

ACTION	Improve the satisfaction of employees in Repsol's LPG business unit in Ecuador.
DESCRIPTION	We will carry out a talent retention plan stressing the importance of the personal development plans.
INDICATOR	Development and completion of the Plan / Retention percentage.
YEAR IMPLEMENTED	2013- 2014
ACTION	Ensure that the working conditions of the employees of suppliers responsible for the transport of LPG in Ecuador comply with applicable labour legislation.
DESCRIPTION	We will ask our transport service providers for the documents that certify their compliance with labour legislation related to their employees.
INDICATOR	<ul style="list-style-type: none"> - Percentage of employees whose relationship with the company complies with labour legislation. - Number of checks carried out.
YEAR IMPLEMENTED	2013 – 2014
ACTION	Ensure that the working conditions of the employees of LPG's commercial distributors and logistical operators in Ecuador comply with applicable labour legislation.
DESCRIPTION	We will ask our LPG's commercial distributors and logistical operators for the documents that certify their compliance with labour legislation.
INDICATOR	Percentage of LPG's commercial distributors and logistical operators analysed.
YEAR IMPLEMENTED	2013-2014

ACTION	Launch the new corporate values in Repsol Ecuador.
DESCRIPTION	We will internally and externally communicate the five corporate values: innovation, integrity, flexibility, responsibility and transparency.
INDICATOR	Communication campaign of the new corporate values.
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 15 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: Establish and maintain an adequate environmental management system.	Expectation: Set environmental impact management targets.	Expectation: Prevent and effectively manage water pollution incidents.
Expectation: Mitigate environmental impacts in the sphere of influence of the company's operations.	Expectation: Continue implementing measures that promote energy efficiency.	Expectation: Develop emission reduction strategies.
Expectation: Implement measures aimed at preventing pollution and waste generation.	Expectation: Have procedures in place to prevent and remedy spills involving fuels and other products derived from crude oil.	Expectation: Provide comprehensive and robust abandonment plans and policies that include and ensure biodiversity regeneration in exploited areas.
Expectation: Participate in protection and conservation projects, and have stringent biodiversity management systems in place in the Yasuni National Park area – Eastern Ecuador (Amazonia).	Expectation: Make avoiding the loss of ecosystems, their restoration and the compensation of losses that occur, the top priority.	Expectation: Finance projects related with biodiversity protection, reforestation or conservation.

Actions included in the programme:

1. Progress in the continual improvement of LPG Ecuador's environmental management system.
2. Implementation of Repsol's minimum environmental performance requirements.
3. Design and implement the abandonment plan of the Duragas plant in El Salitral, Guayaquil, with measures that ensure environmental remediation.
4. Develop the Environmental Management Plan of Block 16 and Tivacuno.
5. Reduce energy consumption in the LPG business unit in Ecuador.
6. Optimise energy use in our exploration and production operations in Ecuador.
7. Increase the energy efficiency of our exploration and production operations, implementing the ISO 50001:2011 standard's energy management system.
8. Reduce the atmospheric emissions associated with Block 16's crude production operations.
9. Prevent hydrocarbon oil spills in operations by improving the maintenance of pipelines.
10. Prevent and effectively manage water pollution incidents in Repsol's exploration and production operations in Block 16 and Tivacuno.
11. Develop a waste reduction plan in LPG Ecuador.
12. Develop an ecological restoration Project in the context of the exploration and production operations in Ecuador.
13. Implement the Comprehensive Restoration Plan of the area affected by the Amo A spill in Block 16.
14. Reforest the areas affected by the Kichwa communities on the margins of the Pompeya-Iro route, near to Block 16's crude production operations.
15. Prevent and minimise impacts on biodiversity by developing a biological monitoring project in the context of the exploration and production operations in Ecuador.

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

In some of the LPG facilities in the country Repsol has implemented an environmental management system that is certified according to the ISO 14.001 standard.

In the current Sustainability Plan, the company has included a new action in this area to progress in the continual improvement of LPG Ecuador's environmental management system. From this programmes will be developed in these certified facilities in order that this certification can be maintained in the future.

- **Expectation: Set environmental impact management targets.**

With the aim of continuing to strengthen the management of the environmental impacts of our activities in the country, in 2012, Repsol will carry out a gap analysis on environmental performance practices.

Based on these results, during 2013, the company will focus on an action for the *implementation of Repsol's minimum environmental performance requirements, consisting of developing a specific plan to resolve detected non-compliances, as well as to improve the processes used to gather environmental information on operations.* In this way it will be possible to find out whether those cases indicated as "not determined" in the analysis mentioned actually comply with the requirements or not.

- **Expectation: Provide comprehensive and robust abandonment plans and policies that include and ensure biodiversity regeneration in exploited areas.**

With the aim of mitigating the possible environmental impacts associated with the finalisation of projects, Repsol incorporates specific measures in each case.

In particular, in the present edition of the Sustainability Plan, the company has included an action in this area to *design and implement the abandonment plan of the Duragas plant in El Salitral, Guayaquil, with measures that ensure environmental remediation*. For this, Repsol will carry out an environmental audit whose results will be used to design the plant's abandonment plan and initiate the required environmental remediation actions.

- **Expectation: Mitigate environmental impacts in the sphere of influence of the company's operations.**

With the aim of preventing, mitigating and repairing the environmental impacts derived from Repsol's hydrocarbon activities in the country, during 2013, the company will work to *develop the Environmental Management Plan of Block 16 and Tivacuna*.

This will incorporate actions aimed at the prevention and mitigation of impacts, the resolution of contingencies, training, occupational health and industrial safety, waste management, community relations, renovation of affected areas, abandonment and handing over of areas, and monitoring processes. Furthermore, with these actions, compliance with all the requirements set by applicable environmental legislation will be guaranteed, as well as with those environmental and Human Rights standards established by the company.

- **Expectation: Continue implementing measures that promote energy efficiency.**

The optimisation of energy consumption is one of the fundamental elements of Repsol's strategy and plans to reduce the impacts of its activities.

For this, as well as the other management systems that operate in the company, Repsol has incorporated three actions in this area in the current Plan. The first of these is to *reduce energy consumption in the LPG business unit in Ecuador*, will aim to reduce specific energy consumption levels to 0.0394 GJ/t of LPG sold.

With regards to other areas of the company, in this case its exploration and production activities; Repsol has incorporated two more actions into the Plan.

The first of these is to optimise energy use in our exploration and production operations in Ecuador, whose aim to make use of a resource that is currently burnt off (generated gas) to produce electrical energy.

The second action's objective, focused on the comprehensive management of energy consumption, is to *increase the energy efficiency of our exploration and production operations, implementing the ISO 50001:2011 standard's energy management system*. For this, in 2013, Repsol will supervise the implementation of this tool that will enable the systematisation, identification and quantification of existing energy saving opportunities.

- **Expectation: Develop emission reduction strategies.**

One of the principal environmental aspects for the oil sector is the emission of greenhouse gases.

In this regard, Repsol will work during 2013 to reduce the *atmospheric emissions associated with Block 16's crude production operations* by reducing the volume of gas that is flared. This process will also permit the generation of electricity to be used in the production related operations, as mentioned previously.

- **Expectation: Have procedures in place to prevent and remedy spills involving fuels and other products derived from crude oil.**

The prevention of hydrocarbon oil spills and their remediation when they occur is an area in which the company has established multiple initiatives.

In particular, regarding the present Sustainability Plan, the company has included a new action to *prevent hydrocarbon oil spills in operations by improving the maintenance of pipelines*.

Through this measure, Repsol will carry on with the actions adopted in 2012 in order to improve the structural integrity of its pipelines, including the design of an optimum system that permits the detection of possible leaks.

- **Expectation: Prevent and effectively manage water pollution incidents.**

The fact that water is a scarce resource requires its responsible management, not only with respect to its use in operational procedures, but also with regards to avoiding possible cases of pollution of water sources near to our facilities.

In this context, Repsol has included an action in the Sustainability Plan to *prevent and effectively manage water pollution incidents in Repsol's exploration and production operations in Block 16 and Tivacuno*. For this, the company will monitor industrial water discharges as well as facilities' conditions. As a result the corrective actions needed to address any inconsistencies identified will be adopted.

- **Expectation: Implement measures aimed at preventing pollution and waste generation.**

During the 2013-2014 period the company will *develop a waste reduction plan in LPG Ecuador* in order to reduce the impacts associated with this activity. The process will consist of the identification, analysis and evaluation of waste generated and managed to then elaborate and carry out the Reduction Plan.

- **Expectation: Make avoiding the loss of ecosystems, their restoration and the compensation of losses that occur, the top priority.**

Repsol carries out its activities in very environmentally sensitive areas. The implementation of measures that protect ecosystems and, if necessary, repair them or compensate their loss, is one of the fundamental parts of the company's environmental strategy.

In this sense, two actions have been included in the current Plan to cover this issue. The first of these focuses on *developing an ecological restoration Project in the context of the exploration and production operations in Ecuador*. At the same time the project will be composed of various initiatives, including the restoration of degraded areas using native species, the monitoring, in a participative way, of the harnessing of resources used in Block 16 and the capacity building of the communities in the area so that they can sustainably use these same resources. The action will also include the construction of various experimental centres and a plant nursery for the production of endemic species that can be used as a raw material or for community consumption.

The company has included a second action in this area that is related with a particular instance of environmental pollution and degradation. The action is to *implement the Comprehensive Restoration Plan of the area affected by the Amo A spill in Block 16*. This action will focus on the restoration of the soil horizon, the reforestation of the area and the monitoring of progress in these activities according to the indicators included in the Ministry for the Environment's Environmental and Social Reparation Program. The action will also be focused on the development of alternatives that speed up the natural decomposition of hydrocarbons and the biannual monitoring of various elements. This restoration plan will be carried out during the 2013-2018 period.

- **Expectation: Finance projects related with biodiversity protection, reforestation or conservation.**

In this area, the company will carry out a project *to reforest the areas affected by the Kichwa communities on the margins of the Pompeya-Iro route, near to Block 16's crude production operations*.

In this way, as well as building the capacity of the communities themselves in themes related with the conservation of natural resources, Repsol will collaborate in the recuperation of barriers of vegetation on the edges of the route, using native bush and shrub species from the Yasuni National Park.

- **Expectation: Participate in protection and conservation projects, and have stringent biodiversity management systems in place in the Yasuni National Park area – Eastern Ecuador (Amazonia).**

Repsol will continue working during 2013 to *prevent and minimise impacts on biodiversity by developing a biological monitoring project in the context of the exploration and production operations in Ecuador*.

During the year it is predicted that this monitoring Project will be finalized, a project that as well as providing scientific knowledge, has supplied the company with key information to help it to recuperate degraded habitats.

Namely, during the financial year, the company will work on developing a report on the final results, as well as their validation and dissemination. In the same way, in coordination with other actions of this Plan, projects will be started for the definition of a Biodiversity Action Plan (BAP) for the 2013-2018 period, as well as a new strategy for its implementation.

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	Optimise energy use in our exploration and production operations in Ecuador.
DESCRIPTION	We will generate electrical energy by capturing, compressing and transporting the gas that is currently burnt off by the flare on one of our platforms (Tivacuno). This electricity will be used in Block 16's facilities.
INDICATOR	Reduction of gas flared as a percentage of the volume of gas currently flared
YEAR IMPLEMENTED	2013

ACTION	Prevent hydrocarbon oil spills in operations by improving the maintenance of pipelines.
DESCRIPTION	<p>We will take actions to improve the structural integrity index of pipelines, by continuing with the following actions, begun in the year 2012:</p> <ol style="list-style-type: none"> 1. To compile a report and establish an optimum system for detecting leaks. 2. Sign the conventions on the administration of the Right of Way (RoW) with the companies Andes and PAM. 3. Have conventions that are activated in the event of spills. 4. Completion of the plan to communicate the RoW. 5. Completion of work schedules according to risk. 6. Increase the number of RoW inspections. 7. Biannual update of the risk levels of pipelines. 8. Regularise the RoW documentation [baseline]. 9. 2012 and 2013 repairing of lines. 10. Magnetic inspection of lines. 11. Updating and improvement of IT software (PIDT) and the incorporation of criteria from the corporate norm 353. 12. Installation of two valves SDV (South Down Valves) in the oil pipeline and a launcher-receiver in Well 27. 13. Improvement of the cathodic protection systems. 14. Implementation of the recommendations of the geotechnical oil pipeline study. 15. Signposting of the interblock RoW.
INDICATOR	Index on the management of the structural integrity of pipelines.
YEAR IMPLEMENTED	2013

ACTION	<p>Increase the energy efficiency of our exploration and production operations, implementing the ISO 50001:2011 standard's energy management system.</p>
DESCRIPTION	<p>We will carry out this project whose objective is to design, implement and certify the Energy Management System (EMS) of the facilities in Block 16, the Tivacuno Block, the Pompeya Station and the Shushufindi Station operated by Repsol Ecuador, complying with the guidelines set out in the ISO 50001:2011 standard.</p> <p>The implementation of an EMS in an industrial facility enables the company to establish management strategies to increase its energy efficiency, systematizing the identification and quantification of energy saving opportunities, which will lead to cost reductions.</p> <p>In the framework of the ISO 50001:2011 standard, this will allow the company to undertake and ensure activities to reduce energy costs and greenhouse gas emissions.</p> <p>Additionally, it will allow for its integration with other organisational management systems (such as the environmental and occupational health and safety management systems).</p> <p>Principal activities:</p> <p>PHASE 1 Planning and development of EMS.</p> <p>PHASE 2 Implementation and operation of EMS.</p> <p>PHASE 3 Certification.</p>
INDICATOR	<p>Percentage of real completion vs. percentage of planned completion of the project, monthly.</p>
YEAR IMPLEMENTED	<p>2013</p>

ACTION	Progress in the continual improvement of LPG Ecuador's environmental management system.
DESCRIPTION	We will implement continuous improvement programmes in the environmental management system of the plants certified according to ISO 14001, allowing these management systems to maintain this certification.
INDICATOR	Number of ISO 14001 certified plants / Number of plants that maintain their ISO 14001 certification.
YEAR IMPLEMENTED	2013
ACTION	Reduce energy consumption in the LPG business unit in Ecuador.
DESCRIPTION	We will reduce energy consumption to reach energy consumption levels of 0.0394 GJ/t of LPG sold.
INDICATOR	Achieve a consumption of 0.0394 GJ/t of LPG sold.
YEAR IMPLEMENTED	2013

ACTION	<p>Prevent and minimise impacts on biodiversity by developing a biological monitoring project in the context of the exploration and production operations in Ecuador.</p>
DESCRIPTION	<p>We will conclude the biological monitoring project for our exploration and production operations. The project has achieved the following objectives.</p> <ol style="list-style-type: none"> 1. To strengthen, expand and give continuity to the effort realised in the Yasuni Biological Monitoring Project (1994-1996; 2005-2006). 2. To provide scientific knowledge of the species of flora and fauna, their interactions with the ecosystem and the conservation of vulnerable species and local species at risk of extinction. 3. To evaluate biodiversity and changes in same, as well as population trends over time, in order to determine the resilience of the ecosystem 20 years from the moment that oil operations were initiated in Block 16. 4. To provide information on the recuperation of degraded habits and/or habitats altered by human activities. <p>The expected results of the project are:</p> <ol style="list-style-type: none"> 1. Updated records on species and their state of conservation. 2. Available information on new records for Ecuador and science on a global level. 3. The performing of specific studies on the scientific research applied. 4. Scientific information applied to the sustainable management of forests and water resources. 5. Scientific information applied to the conservation of species and habitats. 6. Information generated on the population trends of fauna located in the spheres of influence of oil operations in Block 16. 7. Environmental quality indicators established. 8. Indicators established for recuperated habitats, the state of natural regeneration, levels of balance between species and the affected ecosystem. <p>In 2013, the following actions were carried out:</p> <ol style="list-style-type: none"> 1. Report on the final results. 2. Validation of the final results. 3. Dissemination of results. 4. Definition of a BAP for the 2013-2018 period. 5. Strategy for implementation.
INDICATOR	Percentage of action accomplished according to the defined work plan.
YEAR IMPLEMENTED	2013

ACTION	Develop the Environmental Management Plan of Block 16 and Tivacuno.
DESCRIPTION	<p>The Environmental Management Plan (EMP) is the combination of actions that originated from the identification, analysis and quantification of the positive and negative environmental impacts derived from hydrocarbon activities, and whose aim is the prevention, mitigation and reparation of these impacts. The plan includes:</p> <ol style="list-style-type: none"> 1. Prevention and mitigation of impacts. 2. Contingencies. 3. Capacity building. 4. Industrial occupational health and safety. 5. Waste management. 6. Community relations. 7. Rehabilitation of affected areas. 8. Abandonment and handing over of the area. 9. Monitoring. <p>It is important to consider that the EMP of Repsol Ecuador S.A., as well as all of Ecuador's applicable current environmental legislation, incorporates all the criteria contained in our company's environmental and Human Rights standards.</p>
INDICATOR	Percentage of general accomplishment of the Environmental Management Plan by 31st December 2013.
YEAR IMPLEMENTED	2013
ACTION	Implementation of Repsol's minimum environmental performance requirements.
DESCRIPTION	<ol style="list-style-type: none"> 1. We will implement a Quality Assurance programme of the information generated as a result of the Gap Analysis of the Environmental Performance Practices carried out in 2012. 2. We will carry out an Implementation Plan for the 2013-2017 period for cases of "non-compliance". 3. We will implement and obtain suitable information to characterise the state of compliance of the cases marked as "Not determined".
INDICATOR	Deliveries according to schedule.
YEAR IMPLEMENTED	2013

ACTION	Reforest the areas affected by the Kichwa communities on the margins of the Pompeya-Iro route, near to Block 16's crude production operations.
DESCRIPTION	<p>We will recuperate the barriers of vegetation on the edges of the route, through reforestation with native bush and shrub species from the Yasuni National Park, as a viable alternative for the future of the communities, concerning the mitigation of the road's impacts.</p> <p>We will build the capacity of communities in the area, on environmental and forestry themes, and on the conservation of natural resources.</p>
INDICATOR	Percentage of action accomplished according to the defined work plan.
YEAR IMPLEMENTED	2013
ACTION	Develop an ecological restoration Project in the context of the exploration and production operations in Ecuador.

DESCRIPTION	<p>We will continue with the development of the ecological restoration project in the area of our exploration and production operations.</p> <p>The objectives of the project are to:</p> <ol style="list-style-type: none"> 1. Train local communities that live in the area so that the use of natural resources is carried out within the parameters of sustainability specified in the management plans of the Yasuni National Park and the Waorani Reserve. 2. Control, in a participative way, the exploitation of renewable and unrenovable resources used in Block 16. 3. Restore degraded areas with native species, using tree nurseries as a base. 4. Grow vegetation and breed animals, both wild mastofauna and ichthyofauna for the development of productive projects. <p>The project will include the construction of experimental centres:</p> <ol style="list-style-type: none"> (a) Tree nursery: to produce edible plants and plants for crafts and forestry. (b) Breeding farm for endemic species of mastofauna to be consumed by the community. (c) Fish farm for endemic species of fish to be consumed by the community.
INDICATOR	Percentage of action accomplished according to the defined work plan.
YEAR IMPLEMENTED	2013

ACTION	Design and implement the abandonment plan of the Duragas plant in El Salitral, Guayaquil, with measures that ensure environmental remediation.
DESCRIPTION	We will carry out an environmental audit whose results will support the design of an abandonment plan for the Guayaquil plant, in the El Salitral Sector, that considers the corresponding remediation activities.
INDICATOR	Definition of the Guayaquil Plant Abandonment Plan and Environmental Remediation Plan.
YEAR IMPLEMENTED	2013-2014
ACTION	Prevent and effectively manage water pollution incidents in Repsol's exploration and production operations in Block 16 and Tivacuno.
DESCRIPTION	<p>We will compile environmental specification sheets for each of the crude extraction platforms that will enable the monitoring of industrial water discharges to the environment and a continuous monitoring of facilities' conditions (installations). This will permit us to take corrective actions derived from the inconsistencies that could be found and avoid breaches of the environmental parameters established by current environmental legislation.</p> <p>The environmental specification sheets contain the following information: description of the facility, use of chemical products in the installation, monthly monitoring of the environmental performance (COD parameters, Conductivity and TPH) of industrial water discharges, identification of possible environmental improvements and situations that could occur causing a deviation from the environmental parameters, including corrective actions, deadlines and resources for managing them.</p>
INDICATOR	Improvements in the permitted environmental parameters for the discharge of industrial water proceeding from Block 16's activities (Production platforms and facilities of the NPF – North Production Facilities, and SPF – South Production Facilities).
YEAR IMPLEMENTED	2013 – 2014

ACTION	Reduce the atmospheric emissions associated with Block 16's crude production operations.
DESCRIPTION	<p>We will reduce the volumen of flared gas, optimising the use of this resource for the generation of energy in Block 16's production operations.</p> <p>We will reduce by 10% the volume of gas flared that is generated in the production process in relation to the volume flared in 2012, optimising its use for generating energy.</p>
INDICATOR	Reduction of gas flared as a percentage of the volume of gas flared in 2012.
YEAR IMPLEMENTED	2013 – 2014
ACTION	Develop a waste reduction plan in LPG Ecuador.
DESCRIPTION	We will identify, analyse and evaluate the waste generated and managed to then develop and carry out a Waste Reduction Plan in LPG Ecuador.
INDICATOR	<ul style="list-style-type: none"> - Identification and analysis of generated waste. - Establishing of criteria and baselines for the Waste Reduction Plan. - Development and carrying out of the Waste Reduction Plan.
ACTION	Implement the Comprehensive Restoration Plan of the area affected by the Amo A spill in Block 16.
DESCRIPTION	<p>The scope of this action includes the:</p> <ul style="list-style-type: none"> (a) Recuperation of the soil horizon. (b) Reforestation of the area affected by the spill. (c) Monitoring of the reforestation process according to the indicators included in the Ministry for the Environment's Environmental and Social Reparation Program (PRAS). (d) Alternatives to guarantee the natural decomposition of hydrocarbons. (e) Biannual monitoring of water, soil, sediments and biota.
INDICATOR	Percentage of accomplishment of the work plan defined for the year 2013.
YEAR IMPLEMENTED	2013 – 2018

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 Sustainability Plan for Ecuador, the company has included another 11 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: Be transparent in relations with suppliers, business partners, customers, etc.</p>
<p>Expectation: Carry out a due diligence and an adequate monitoring process of the organisations with which the company works, with the aim of avoiding that the organisation's CSR commitments are affected.</p>	<p>Expectation: Actively participate in increasing the awareness of organisations with which we work, on CSR issues.</p>
<p>Actions included in the programme:</p> <ol style="list-style-type: none"> 1. Incorporate corporate responsibility aspects into the processes for selecting suppliers and contractors for exploration and production in Ecuador. 2. Contribute to increase the number of LPG collaborative, complementary service and installing companies in Ecuador that have adopted ethical, social and environmental standards. 3. Contribute to increase the adopted ethical, social and environmental standards of our business partners in the Heavy Crude Oil Pipeline project in Ecuador. 4. Contribute to increase the adopted ethical, environmental and human right standards of our LPG suppliers in Ecuador. 5. Promote corporate responsibility among our bottled LPG commercial distributors in Ecuador. 6. Promote corporate responsibility among our providers of LPG transport in Ecuador. 7. Share Repsol's ethical, transparency and Human Rights standards with our LPG suppliers in Ecuador. 8. Disseminate the United Nations framework on business and Human Rights among our suppliers and contractors for exploration and production in Ecuador. 9. Urge our business partners to practice respect, protection and conservation of the culture and ways of life of ancestral communities. 10. Encourage the capacity of our business partners in joint operations to develop exhaustive and robust abandonment plans that cover and ensure the regeneration of exploited areas. 11. Be transparent in relations with our business partners. 	

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

In addition to the measures already in operation in this area, Repsol has incorporated two more actions in the current Plan.

The first of these is to *incorporate corporate responsibility aspects into the processes for selecting suppliers and contractors for exploration and production in Ecuador*. This means that during 2013 the company will include criteria related with ethics, Human Rights and the Environment, in the rating process for the suppliers and contractors of exploration and production.

In the same way, the company will work to *contribute to increase the number of our LPG suppliers in Ecuador that have adopted ethical, environmental and Human Rights standards*, incorporating into its selection process a positive weighting for those that have policies, procedures or processes that address these aspects.

- **Expectation: Carry out a due diligence and an adequate monitoring process of the organisations with which the company works, with the aim of avoiding that the organisation's CSR commitments are affected.**

To achieve our corporate responsibility commitments the collaboration of the other organisations with which we closely work is often necessary.

In this regard, Repsol has included two actions in the present Plan aimed specifically to contribute to increase the *adopted ethical, social and environmental standards* of our business partners in the Heavy Crude Oil Pipeline project, as well as LPG collaborative, complementary service and installing companies in Ecuador.

The launch of these actions will mean, respectively, the inclusion of aspects related with ethical, social and environmental standards in the agendas of the periodic management meetings held with business partners; as well as in the execution of an audit plan to analyse the corporate responsibility standards that exist in the other organisations mentioned, comparing them with those approved by the company.

- **Expectation: Actively participate in increasing the awareness of organisations with which we work, on CSR issues.**

As well as the actions indicated in the section above, Repsol will launch other initiatives aimed at promoting the awareness of organisations with which it works, on CSR issues.

The first two actions will be directed at transport providers and at commercial distributors of bottled LPG. With these the company will work to *promote corporate responsibility in its operations* through the organisation of various capacity building courses on industrial safety, taxation, labour legislation and the basic maintenance of units.

Repsol will also work with LPG suppliers to *share Repsol's ethical, transparency and Human Rights standards*, for which it will hold various communication workshops on this issue.

Equally, and in the area of participation in multi-company initiatives in the field of corporate responsibility, Repsol *will disseminate the United Nations framework on business and Human Rights among our suppliers and contractors for exploration and production in Ecuador*. This is an initiative that will be developed within the framework of Repsol's third annual meeting with this group, which will be held this year.

Finally, regarding the company's business partners, Repsol has included two other actions in the current Plan that are specific to them. These will consist in urging them to *practice respect, protection and conservation of the culture and ways of life of ancestral communities; and to strengthen the capacity of our business partners in joint operations to develop exhaustive and robust abandonment plans that cover and ensure the regeneration of exploited areas*.

For this, the company will include the themes related with Community relations and the Abandonment Plan in the agendas of the periodic meetings held with business partners.

- **Expectation: Be transparent in relations with suppliers, business partners, customers, etc.**

Maintaining relations based on mutual confidence with the companies that collaborate with us is key for the company. For this, Repsol has incorporated an action in its current Sustainability Plan to *be transparent in relations with our business partners*.

This will consist in carrying out an evaluation of the transparency of the company's performance as perceived by these organisations, for which a specific question will be included in the annual satisfaction surveys that are sent to our commercial business partners.

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

ACTION	Encourage the capacity of our business partners in joint operations to develop exhaustive and robust abandonment plans that cover and ensure the regeneration of exploited areas.
DESCRIPTION	We will include themes related with the Abandonment Plan in the agenda of one of the periodic meetings with business partners.
INDICATOR	Minutes of the periodic meetings (Operation Committee Meetings, Technical Committee Meetings) that are held.
YEAR IMPLEMENTED	2013

ACTION	Contribute to increase the adopted ethical, social and environmental standards of our business partners in the Heavy Crude Oil Pipeline project in Ecuador.
DESCRIPTION	We will include aspects related with the company's ethical, social and environmental standards, and other corporate responsibility issues, in the agendas of the periodic management meetings held with our business partners in the Heavy Crude Oil Pipeline project.
INDICATOR	Minutes of the periodic meetings (Management Committees) that are held.
YEAR IMPLEMENTED	2013

ACTION	Promote corporate responsibility among our bottled LPG commercial distributors in Ecuador.
DESCRIPTION	We will impart capacity building courses on industrial safety, taxation and labour legislation to our distributors of bottled LPG.
INDICATOR	Hours/person of annual training.
YEAR IMPLEMENTED	2013
ACTION	Incorporate corporate responsibility aspects into the processes for selecting suppliers and contractors for exploration and production in Ecuador.
DESCRIPTION	We will include aspects related with ethics, Human Rights and the Environment in the rating process for our suppliers and contractors of exploration and production in Ecuador.
INDICATOR	Number of suppliers qualified/Number of suppliers evaluated.
YEAR IMPLEMENTED	2013
ACTION	Urge our business partners to practice respect, protection and conservation of the culture and ways of life of ancestral communities.
DESCRIPTION	We will include themes related with Community Relations in the agenda of one of the periodic meetings with business partners.
INDICATOR	Minutes of the periodic meetings (Operating Committee Meetings, Technical Committee Meetings) that are held.
YEAR IMPLEMENTED	2013

ACTION	Be transparent in relations with our business partners.
DESCRIPTION	We will include a question that refers to transparency on Repsol's performance in the annual satisfaction surveys that we send to business partners.
INDICATOR	Results of the Annual Business Partners' Satisfaction Survey.
YEAR IMPLEMENTED	2013
ACTION	Disseminate the United Nations framework on business and Human Rights among our suppliers and contractors for exploration and production in Ecuador.
DESCRIPTION	In the third annual meeting with suppliers and contractors of exploration and production in Ecuador, we will give a keynote address on the United Nations framework to "Protect, Respect and Remedy" and the Guiding Principles on business and Human Rights. With this action we intend to extend corporate responsibility throughout our supply chain in Ecuador. Additionally, we will share with our suppliers and contractors the modifications made on Repsol's standards regarding ethical behaviour.
INDICATOR	Event held before 30 th October 2013.
YEAR IMPLEMENTED	2013
ACTION	Share Repsol's ethical, transparency and Human Rights standards with our LPG suppliers in Ecuador.
DESCRIPTION	We will carry out communication workshops with suppliers, in which the company's action framework on ethical behaviour, transparency and Human Rights will be shared.
INDICATOR	Number of suppliers included in the programme over the total number of suppliers.
YEAR IMPLEMENTED	2013

ACTION	Promote corporate responsibility among our providers of LPG transport in Ecuador.
DESCRIPTION	We will impart capacity building courses on industrial safety, taxation and the maintenance of basic units, to our LPG transport providers in Ecuador.
INDICATOR	<ul style="list-style-type: none"> - Hours/person of annual training. - Number of courses given.
YEAR IMPLEMENTED	2013 – 2014
ACTION	Contribute to increase the number of our LPG suppliers in Ecuador that have adopted ethical, environmental and Human Rights standards.
DESCRIPTION	<p>In the LPG supplier and contractor selection process, we will positively weight those that have policies, procedures or processes that include ethical, social and environmental aspects, through the incorporation of a new scoring matrix including these criteria.</p> <p>In cases where deficiencies are detected we will act carrying out workshops and specific communications.</p>
INDICATOR	<ul style="list-style-type: none"> - Number of tenders with the application of the matrix. - Number of workshops or communications regarding CR imparted to suppliers.
YEAR IMPLEMENTED	2013-2014
ACTION	Contribute to increase the number of LPG collaborative, complementary service and installing companies in Ecuador that have adopted ethical, social and environmental standards.
DESCRIPTION	We will execute an audit plan of the collaborative, complementary service and installing companies of LPG Ecuador, in order to analyse their ethical, environmental and Human Rights standards in relation with those of Repsol, checking on their level of compliance with these standards.
INDICATOR	Number of audits carried out / Number of audits planned.
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 Sustainability Plan for Ecuador, the company has included one action in this subject which aims 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

Expectation: Instruct consumers/customers on the correct use of products and warn them of the risks associated with them.

Actions included in the programme:

1. Promote safety among our LPG customers in Ecuador.

- **Expectation: Instruct consumers/customers on the correct use of products and warn them of the risks associated with them.**

The safety of customers and the users of the company's products is a fundamental concern for Repsol. Not in vain, the company has launched diverse initiatives to guarantee that the use of these implies the least risk possible.

With respect to the present Plan, Repsol has included an additional action to *promote safety among our LPG customers in Ecuador*. This will consist in the imparting of capacity building courses on industrial safety that, on this occasion, are specifically aimed at industrial customers of bulk LPG in the country.

In the table shown below, detailed information is given on the action included in this programme:

ACTION	Promote safety among our LPG customers in Ecuador.
DESCRIPTION	We will impart capacity building courses on industrial safety to industrial customers of bulk LPG in the country.
INDICATOR	Hours/person of annual training.
YEAR IMPLEMENTED	2013-2014

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 subject of community involvement and development, Repsol has specific management systems in place which are available at the corporate website **repsol.com**.

Additionally, as part of the Sustainability Plan for Ecuador, in its current edition, 13 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: Establish a formal and continual dialogue process with communities affected by the company's operations.	Expectation: Contribute to the formulation of community development policies.	Expectation: Have a transparent relationship with local communities.
Expectation: Carry out initiatives to strengthen the capacities and opportunities of suppliers established in the local area.	Expectation: Communicate with and educate local communities on risks that could affect the environment, teaching them how to minimise, mitigate and manage these.	Expectation: Comply with the agreements and commitments made with local communities affected by the operations of the company.
Expectation: Promote cultural activities, when appropriate, to recognise and value local cultures and cultural traditions.	Expectation: Encourage and support citizens so that they act as volunteers in providing services for the community.	Expectation: Promote research and development in Ecuadorian universities, maintaining close relations with the scientific community.
Expectation: Launch comprehensive programmes for community development.		

Actions included in the programme:

1. Consult and accommodate communities in the terms and conditions of development that affect them in our exploration and production operations in Ecuador.
2. Comply with the agreements and commitments made with the Waorani Nationality.
3. Design a corporate volunteering plan aimed at benefitting communities, in collaboration with specialised civil society organisations.
4. Promote the hiring of local suppliers and contractors.
5. Formalise the commitments made with the Kichwa communities located near to our operations in Block 16 and that receive voluntary cooperation.
6. Manage new agreements and provide continuity to those already made with the communities of the Waorani ethnic group located in the areas of influence of Repsol's operations in Block 16.
7. Inform and raise the awareness of local communities on the impacts on the environment derived from their customs and usages.
8. Include the current demographic situation of Ecuador's Waorani Nationality (NAWE) in the evaluation of Repsol's 20 year agreement with this ethnic group.
9. Maintain close relations with the scientific community, promoting research and development in Ecuadorian universities.
10. Promote sustainable behaviour among the communities located in the sphere of influence of the company's activities.
11. Promote transparency through continuous dialogue with local public administrations in our areas of influence.
12. Promote and support the cultural rescue of Amazonian ethnic groups.
13. Carry out social activities along Repsol Ecuador's secondary oil pipeline (outside Block 16) through the Repsol Ecuador Foundation.

- **Expectation: Establish a formal and continual dialogue process with communities affected by the company's operations.**

The company's exploration and production operations can influence the groups of people that live in the area where they are carried out. For this reason, from the beginning of projects, Repsol establishes mechanisms to consult these local communities, attend to their expectations in relation to the activities and comply with commitments made.

In this regard, the company has included an action in the current Sustainability Plan to *consult and accommodate communities in the terms and conditions of development that affect them in our exploration and production operations in Ecuador*.

The action will be specifically directed at the Waorani Nationality and will consist of an evaluation of the validity and level of accomplishment of the "1993-2013 Friendship, Respect and Mutual Support Agreement" signed between both parties and which, among other aspects, considers the questions mentioned earlier.

The evaluation of accomplishment of this pact, to be carried out during 2013, will lead to the signing of the settlement agreement on the basis of the conclusions reached.

- **Expectation: Comply with the agreements and commitments made with local communities affected by the operations of the company.**

After the involvement of the communities through dialogue processes it is vital to formalise and comply with the commitments made. For this, Repsol has included three actions specifically aimed at achieving this as part of the Plan.

The first of these is to *comply with the agreements and commitments made with the Waorani Nationality*, for which Repsol will design and carry out an Operational Plan, between January and August 2013, based on the Friendship, Respect and Mutual

Support Agreement signed with this community. This framework agreement affects all communities of the Waorani ethnic group of Ecuador.

The Operational Plan will prioritise the programmes designed to support education, health, infrastructure and services, productive projects, the creation of jobs and organisational support. Additionally, work will be done to establish a new agreement to replace the current one that expires in August 2013.

The company will also work on a second action to *manage new agreements and provide continuity to those already made with the communities of the Waorani ethnic group located in the areas of influence of Repsol's operations in Block 16*. Through this second action not only will the existing formal agreements be managed, but also new established settlements will be formalised with these five communities.

Furthermore, Repsol will work during the 2013-2014 period in formalising the commitments made with the Kichwa community for which a third action has been included in the present edition of the Plan. This is to *formalise the commitments made with the Kichwa communities located near to our operations in Block 16 and that receive voluntary cooperation*.

- **Expectation: Contribute to the formulation of community development policies.**

Within the framework of the agreement signed between the company and Ecuador's Waorani Nationality, Repsol will carry out an action aimed at increasing the information it has on this community. This action is to *include the current demographic situation of Ecuador's Waorani Nationality (NAWE) in the evaluation of Repsol's 20 year agreement with this ethnic group*.

With this initiative the company will process the historic demographic information that it has on this community and that is held by the Ecuadorian Institute of Statistics and Censuses (INEC). With this data it will be possible to determine the current situation of the Waorani community. As well as improving knowledge on its state of affairs, the data will be used as a planning tool for the community's present and future.

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

Repsol has committed itself to communicate transparently with other stakeholders belonging to the local community. For this, a specific action will be carried out during the 2013-2014 period.

This will be to *promote transparency through continuous dialogue with local public administrations in our areas of influence*. For this, the company will organise periodic meetings and will invite these organisations to make visits to the facilities. Additionally, Repsol will work on creating spaces for collaboration aimed at strengthening the institutional and cultural aspects of those communities affected by its operations.

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

In this regard, Repsol will carry out an action during 2013 to *promote the hiring of local suppliers and contractors*. This will also incorporate other disadvantaged groups and will be limited to the acquisitions to be made within the framework of Block 16's crude production operations.

With this action Repsol intends to continue strengthening its contribution to the economic and social development of communities that live in the areas where it carries out its activities.

- **Expectation: Communicate with and educate local communities on risks that could affect the environment, teaching them how to minimise, mitigate and manage these.**

In order to respond to this expectation, Repsol has incorporated two actions in the present Sustainability Plan.

Through the first action to *inform and raise the awareness of local communities on the impacts on the environment derived from their customs and usages*, the company will work on building the capacity of these communities to mitigate the impacts that their activities can generate. The initiative will consist of the development of a communication strategy based on the visits made to these communities, the holding of talks and the preparation of communications designed to transmit this knowledge.

Secondly, and now regarding the protection of water resources, in 2013, Repsol will carry out an action to *promote sustainable behaviour among the communities located in the sphere of influence of the company's activities*. The initiative will include an education programme involving the schools in the area to train the population on how to make a rational use of drinking water and on how to maintain the natural water sources in the area free of pollution.

- **Expectation: Launch comprehensive programmes for community development.**

Regarding social investment in the local communities affected by operations, as well as the other initiatives already implemented by the company, Repsol has incorporate a specific action in the Plan to *carry out social activities along Repsol Ecuador's secondary oil pipeline [outside Block 16] through the Repsol Ecuador Foundation*.

These types of activity will vary in nature and will have as their objective to attend to the population located in the direct area of influence of the secondary Oil Pipeline's Right of Way assigned to Repsol Ecuador that runs approximately 102 kilometres from the Pompeya locality to the city Lago Agrio.

In total, four development projects will be based in this area run by the Repsol Ecuador Foundation in collaboration with: 1) The Junior Achievement Foundation, 2) The Rural Finance Network, 3) Fuden, and 4) The Grameen Amazonas Savings and Credit Cooperative.

- **Expectation: Promote cultural activities, when appropriate, to recognise and value local cultures and cultural traditions.**

In collaboration with the Alejandro Labaka Foundation Repsol will carry out an action to *promote and support the cultural rescue of Amazonian ethnic groups*. This will consist of various initiatives to provide the Amazonian region with spaces and programmed activities that use the rescue of the cultural attributes of indigenous peoples as a tool to promote their development.

- **Expectation: Encourage and support citizens so that they act as volunteers in providing services for the community.**

With regards to the promotion of volunteering, Repsol has included an action in its Ecuador Sustainability Plan aimed specifically at its employees as an integral part of the communities in which it operates.

The measure to *design a corporate volunteering plan aimed at benefitting communities, in collaboration with specialised civil society organisations*, will aim to involve our personnel with communities affected by extreme poverty, in collaboration with prestigious non-governmental organisations approved by the communities. Among other activities, the volunteers that participate will support the construction of emergency, easy-to-construct housing.

- **Expectation: Promote research and development in Ecuadorian universities, maintaining close relations with the scientific community.**

Finally, in order to respond to this expectation, the company will *promote the gathering of information or the carrying out of visits by representatives of the scientific community, both to Block 16 and its areas of influence*. This will encourage the launching and development of various research projects that in some cases will be sponsored by the company itself.

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	Promote the hiring of local suppliers and contractors.
DESCRIPTION	By encouraging local purchasing and hiring, as well as that of disadvantaged sectors in our crude production operations in Block 16 in Ecuador, we intend to contribute to the economic and social development of the communities in the area.
INDICATOR	<ul style="list-style-type: none"> - Number of contracts awarded to a local supplier or contractor/ year. - Number of supplier/contractor companies practicing Inclusive Business.
YEAR IMPLEMENTED	2013

ACTION	Carry out social activities along Repsol Ecuador's secondary oil pipeline (outside Block 16) through the Repsol Ecuador Foundation.
DESCRIPTION	<p>We will attend to the population located in the area of direct influence of the secondary Oil Pipeline's Right of Way assigned to Repsol Ecuador that runs approximately 102 kilometres from the Pompeya locality to the city Lago Agrio.</p> <p>For this will we base four development projects in this area to be run by the Repsol Ecuador Foundation in collaboration with: 1) The Junior Achievement Foundation, 2) The Rural Finance Network, 3) Fuden, and 4) The Grameen Amazonas Savings and Credit Cooperative.</p>
INDICATOR	To achieve the accomplishment of 2 concrete and specific actions per project per year in the RoW's area of influence.
YEAR IMPLEMENTED	2013

ACTION	Consult and accommodate communities in the terms and conditions of development that affect them in our exploration and production operations in Ecuador.
DESCRIPTION	We will evaluate the validity and level of accomplishment of the 1993-2013 “Friendship, Respect and Mutual Support Agreement” made between Repsol and Ecuador’s Waorani Nationality (NAWE). The settlement agreement will be signed on the basis of the evaluation of the level of accomplishment of this agreement.
INDICATOR	Signing of the Settlement Agreement.
YEAR IMPLEMENTED	2013

ACTION	Include the current demographic situation of Ecuador’s Waorani Nationality (NAWE) in the evaluation of Repsol’s 20 year agreement with this ethnic group.
DESCRIPTION	We will process the historic demographic information that Repsol has on this community and that is held by the Ecuadorian Institute of Statistics and Censuses (INEC), to make it possible to determine the current demographic situation of the Waorani Nationality, as well as improving knowledge on its present state of affairs.
INDICATOR	The results of the processing of the census information that Repsol and the INEC have on Ecuador’s Waorani Nationality. To place the information at the disposition of the NAWE, as a planning tool for its present and future.
YEAR IMPLEMENTED	2013

ACTION	Promote sustainable behaviour among the communities located in the sphere of influence of the company's activities.
DESCRIPTION	We will develop an education programme with the schools in the area (Santo Domingo) to guide the population in the rational use of drinking water and in keeping natural water sources in the area free of pollution.
INDICATOR	<ul style="list-style-type: none"> - Formation of an environmental club. - Number of classes. - Number of recycling campaigns. - Number of kilos of PET plastic (Polyethylene terephthalate) collected. - Final report that includes details on the activities carried out.
YEAR IMPLEMENTED	2013

ACTION	Design a corporate volunteering plan aimed at benefitting communities, in collaboration with specialised civil society organisations.
DESCRIPTION	We will design a corporate volunteering plan that involves our personnel with communities affected by extreme poverty, in collaboration with prestigious non-governmental organisations approved by the communities, in order to support the construction of emergency, easy-to-build housing.
INDICATOR	<ul style="list-style-type: none"> - Number of campaigns carried out. - Number of homes constructed. - Number of volunteers incorporated.
YEAR IMPLEMENTED	2013

ACTION	Inform and raise the awareness of local communities on the impacts on the environment derived from their uses of this environment and their customs.
DESCRIPTION	We will work together with the Community Relations and Environmental areas to identify communication strategies to inform communities about the impacts that they might generate in the area.
INDICATOR	Suggestion of initiatives through Community Relations (Operations) and in coordination with CSE on community strategies that make the actions viable.
YEAR IMPLEMENTED	2013

ACTION	Maintain close relations with the scientific community, promoting research and development in Ecuadorian universities.
DESCRIPTION	We will raise the interest of the scientific community both in Block 16 and in the areas of influence by providing adequate information and visits, as well as academic and sponsorship activities.
INDICATOR	<ul style="list-style-type: none"> - Academic sponsorship (at least 2). - Generation of research (at least 1). - Visits to the areas of influence and Block 16 (at least 4).
YEAR IMPLEMENTED	2013

ACTION	Promote transparency through continuous dialogue with local public administrations in our areas of influence.
DESCRIPTION	<p>We will hold periodic meetings with representative members of local administrations of our operations' areas of influence. Furthermore, we will encourage visits to our facilities in order to promote transparency in our relations with them.</p> <p>We will help provide collaborative spaces with the aim of strengthening the institutional and cultural aspects of the influenced communities.</p>
INDICATOR	<ul style="list-style-type: none"> - Periodic meetings [at least 3]. - Visits to Block 16 [at least 2]. - Cultural capacity building [at least 2].
YEAR IMPLEMENTED	2013

ACTION	Promote and support the cultural rescue of Amazonian ethnic groups.
DESCRIPTION	<p>We will carry out a project, of 30 months duration, together with the Alejandro Labaka Foundation, to provide the Amazonian region with spaces and programmed activities that use the rescue of the cultural attributes of indigenous peoples as a tool to promote their development.</p>
INDICATOR	<p>Three equipped public spaces, two long-term archaeological exhibits, 20,000 digital documents incorporated into the Amazonian records, 300 audio-visual and written documents included into the Coca Library, six interactive exhibitions carried out, six publications/catalogues completed, 18 culturally educational forums/events held, twenty educational meetings conducted, three educational modules carried out, five agreements signed with schools, 1000 students to have participated in the modules.</p>
YEAR IMPLEMENTED	2013

ACTION	Comply with the agreements and commitments made with the Waorani Nationality.
DESCRIPTION	<p>We will design and carry out the Operational Plan, between January and August 2013, based on the Friendship, Respect and Mutual Support Agreement made with Ecuador's Waorani Nationality; prioritising the following programmes:</p> <ol style="list-style-type: none"> 1. Support for education. 2. Health. 3. Infrastructure and services. 4. Productive projects. 5. Creation of jobs. 6. Organisational support. <p>We will make a new agreement with Ecuador's Waorani Nationality to replace the Friendship Agreement that will expire in August 2013.</p>
INDICATOR	<ul style="list-style-type: none"> - Agreements signed by stakeholders and communicated to the relevant authorities. - Signing of the 2012 Agreement Operational Plan Settlement Certificate. - Signing of the January-August 2013 Operational Plan Agreement Certificate. - New signed Agreement. - Index for meeting the budget for programmes.
YEAR IMPLEMENTED	2013 – 2014

ACTION	Formalise the commitments made with the Kichwa communities located near to our operations in Block 16 and that receive voluntary cooperation.
DESCRIPTION	We will formalise the cooperative activities carried out with the Kichwa communities of Pompeya/Indillama.
INDICATOR	Agreements signed and index for meeting established budgets as well as the activities covered by them.
YEAR IMPLEMENTED	2013 – 2014

ACTION	Manage new agreements and provide continuity to those already made with the communities of the Waorani ethnic group located in the areas of influence of Repsol's operations in Block 16.
DESCRIPTION	We will manage the commitments made in existing agreements and we will proceed to formalise the agreements made with the communities of the Waorani ethnic group located in the areas of influence of Repsol's operations in Block 16.
INDICATOR	Agreements signed and index for meeting established budgets as well as the activities covered by them.
YEAR IMPLEMENTED	2013 – 2014



Process of updating the Plan

This Sustainability Plan is a dynamic document.

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

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

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

