



2013-2014

Sustainability Plan for Peru

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LEGAL NOTICE

The Sustainability Plan for Peru 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 Peru, based on the following sources:

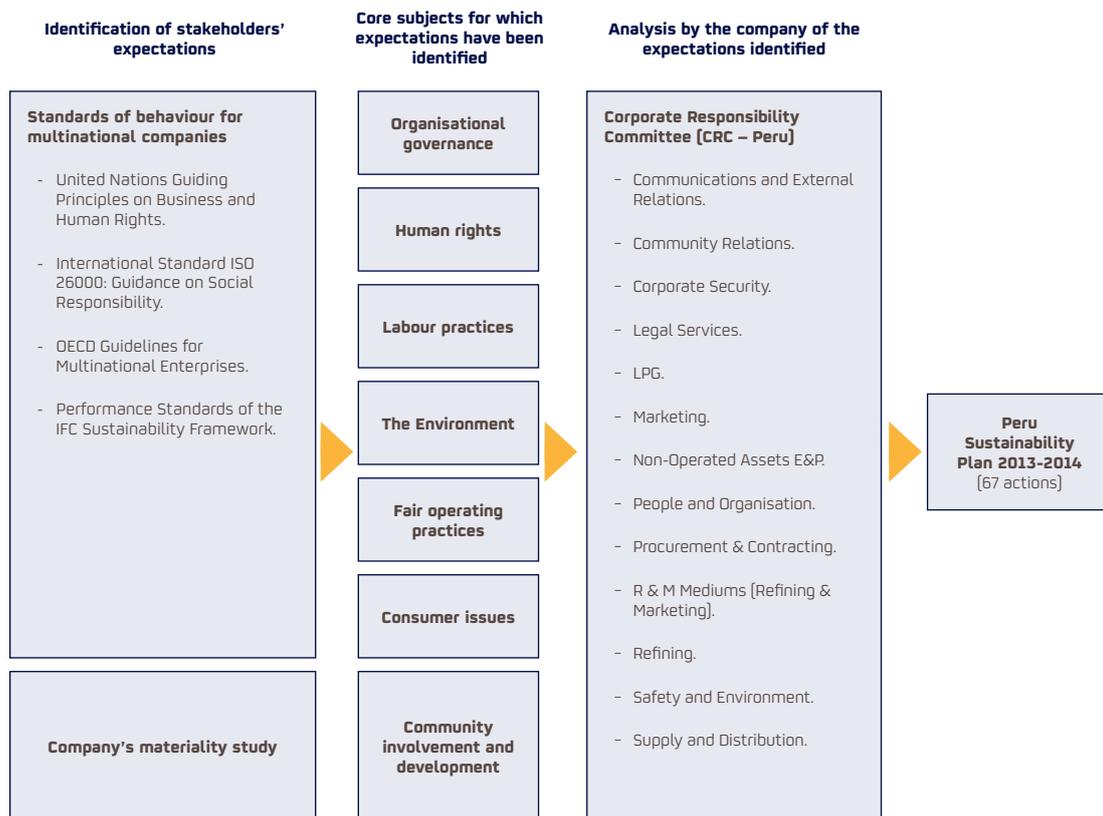
- Interviews with organisations of reference from Peru's civil society that belong, fundamentally, to the academic field, environmental, social and ethical NGOs, indigenous organisations; and trade union federations.
- Interviews with representatives of public administrations that have the relevant competencies 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 Peru.
- World Bank study on the adoption of responsible practices by the extractive industry in Peru.
- Study that evaluates the company's social performance in Blocks 109, 57 and 39 as well as La Pampilla refinery.
- 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 Peru's Corporate Responsibility Committee, chaired by Repsol's Business Unit Director in Peru and formed by director and manager representatives from the following businesses and units in the country:

- Communications and External Relations.
- Community Relations.
- Corporate Security.
- Legal Services.
- LPG.
- Marketing.
- Non-Operated Assets E&P.
- People and Organisation.
- Procurement & Contracting.
- Safety and the Environment Refining and Marketing
- Refining.
- Safety and Environment.
- Supply and Distribution.

With this exercise, we have been able to formally and systematically introduce the expectations of stakeholders in Peru 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 Peru, 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 67 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 Fair operating practices and Community involvement and development have been the ones that involve the greatest number of actions.

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

PROGRAMMES	Number of actions
Organisational governance	4
Human rights	7
Labour practices	5
The Environment	10
Fair operating practices	19
Consumer issues	5
Community involvement and development	17

The 2013-2014 Sustainability Plan for Peru 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.

81% 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 four actions to the current Sustainability Plan in an attempt to strengthen its response to the principal expectations, such as those indicated below.

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

Governance Programme	
<p>Expectation: Create an environment and culture in which the principles of Social Responsibility are practiced.</p>	<p>Expectation: Guarantee the publication of accurate information on all the significant aspects of the company.</p>
<p>Expectation: Have more transparent operations in the country, be more visible and provide the necessary and adequate information on Repsol's operations to the company's stakeholders.</p>	
<p>Actions included in the programme:</p> <ol style="list-style-type: none"> 1. Create and maintain a corporate culture in Repsol's LPG business unit in Peru, in which the principles of Corporate Responsibility are practiced. 2. Inform the general population and local communities on the operations, policies and projects of the La Pampilla Refinery. 3. Increase transparency on accountability regarding our social and environmental impacts in Peru. 4. Promote principles of ethical behaviour that guarantee compliance with the existing code of conduct in the organisation, through the dissemination of information and capacity building among the employees of the companies of the Repsol Group in Peru. 	

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

With the aim of responding to this expectation, the company has included two actions in the Sustainability Plan that are focused on strengthening the training and awareness raising of our employees with regards to Corporate Responsibility.

The first of these, to *create and maintain a corporate culture in Repsol's LPG business unit in Peru, in which the principles of Corporate Responsibility are practiced*, will consist in the imparting of online training on human rights and Corporate Responsibility to 100 people in this business.

Additionally the company, through a second action to *promote principles of ethical behaviour that guarantee compliance with the existing code of conduct in the organisation, through the dissemination of information and capacity building among the employees of the companies of the Repsol Group in Peru*, will organise talks with various collective groups of the workforce.

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

As well as the other initiatives related with the publication of company information, during 2013, Repsol will work to *increase transparency on accountability regarding our social and environmental impacts in Peru*.

For this, a specific Corporate Responsibility Report will be compiled for the country following the Global Reporting Initiative (GRI) standard, version 3.1, as well as the Oil & Gas Supplement developed by the same organisation. The final document will also be externally audited.

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

With regards to encouraging the company's transparency and visibility concerning stakeholders, Repsol has incorporated an action in the current Sustainability Plan to *inform the general population and local communities on the operations, policies and projects of La Pampilla Refinery*.

Through this action, the company will carry out various activities to inform, as a priority, the local community on the principal impacts of operations, as well as the preventative and mitigation policies and actions that concern new projects.

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	Promote principles of ethical behaviour that guarantee compliance with the existing code of conduct in the organisation, through the dissemination of information and capacity building among the employees of the companies of the Repsol Group in Peru.
DESCRIPTION	<p>We will organise talks with various collective groups of employees from companies of the group, to enhance their awareness of Repsol's standard on ethical behaviour.</p> <p>We will encourage the adoption of ethical principles to prevent cases of corruption and bribery.</p>
INDICATOR	Number of talks and awareness raising meetings held.
YEAR IMPLEMENTED	2013 - 2014
ACTION	Inform the general population and local communities on the operations, policies and projects of La Pampilla Refinery.
DESCRIPTION	<p>We will strengthen the transparency of our management activities, informing stakeholders and, as a priority the local community, on the principal impacts of operations, as well as the prevention and mitigation policies and actions that concern new projects.</p>
INDICATOR	<ul style="list-style-type: none"> - Percentage of progress made in the communication programme. - Number of stakeholder visits.
YEAR IMPLEMENTED	2013 - 2014

ACTION	Create and maintain a corporate culture in Repsol's LPG business unit in Peru, in which the principles of Corporate Responsibility are practiced.
DESCRIPTION	We will implement an online training course on Human Rights and Corporate Responsibility to 100 people from the LPG business' workforce in Peru, in order to raise awareness and provide guidance on this issue.
INDICATOR	Number of persons trained.
YEAR IMPLEMENTED	2013 -2014

ACTION	Increase transparency on accountability regarding our social and environmental impacts in Peru.
DESCRIPTION	We will compile a Corporate Responsibility Report for Peru, following the Global Reporting Initiative (GRI) standard, version 3.1, and the Oil & Gas Supplement, to achieve an A+ application level, being audited externally.
INDICATOR	2012 Corporate Responsibility Report for Peru published in 2013.
YEAR IMPLEMENTED	2013

Programme 2

Human rights

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

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

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

Furthermore, seven 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: Carry out an evaluation of the real and potential human rights impacts of the company's activities.</p>	<p>Expectation: Exercise human rights due diligence to identify, prevent and mitigate the company's human rights impacts, and to be accountable on how the company addresses these.</p>
<p>Expectation: Provide adequate training for security personnel (employees, contractors or sub-contractors) on adhering to human rights standards.</p>	<p>Expectation: Internally disseminate the principles for the respect of human rights that form part of Repsol's policy for action.</p>
<p>Actions included in the programme:</p> <ol style="list-style-type: none"> 1. Evaluate the environmental and human rights impacts of the new LPG plants located in Cusco and Pisco. 2. Evaluate the environmental and human rights impacts of our activities in the new Exploration and Production project in Peru. 3. Increase awareness of human rights in the LPG business unit in Peru. 4. Impart training on human rights to National Policy commanders in Peru. 5. Elaborate guidelines for developing social abandonment plans. 6. Train in human rights the contracted security personnel in charge of protecting our facilities and the people located there. 7. Establish capacity building programmes for security personnel in the use of arms with non-lethal munitions. 	

- **Expectation: Carry out an evaluation of the real and potential human rights impacts of the company's activities.**

The evaluation of possible human rights impacts generated by our activities is one of the first actions included in the due diligence process, that is required to avoid that these impacts actually occur.

For this, the company has included two actions in the Sustainability Plan to *evaluate the environmental and human rights impacts of the new LPG plants located in Cusco and Pisco and evaluate the environmental and human rights impacts of our activities in the new Exploration and Production project in Peru.*

The first of these will consist in the carrying out of a study of the new bottling plants that the LPG business unit plans to construct in both locations. For this the corporate Environmental, Social and Health Impact Assessment Standard will be applied; these aspects also being covered in the analysis.

Meanwhile, the second of the actions will focus on carrying out a study of issues concerning the 2D seismic prospecting project in Block 109 for which the aforementioned standard will apply. Furthermore, to address aspects related with human rights, the evaluation will involve a consideration of the possible environment impacts that could be generated.

- **Expectation: Exercise human rights due diligence to identify, prevent and mitigate the company's human rights impacts, and to be accountable on how the company addresses these.**

The due diligence process to guarantee the company's human rights commitments must be extended to the whole life cycle of its activities, including the phases in which operation sites are abandoned.

For this, Repsol has included an action in the Sustainability Plan to *elaborate guidelines for developing social abandonment plans*, through which the company will consider the process to establish the steps to be taken when it is necessary to abandon operations, whether on a temporary or permanent basis.

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

With the aim of reinforcing the training given to security personnel that work in the company, to limit the potential risks associated with human rights, Repsol has included three actions in the current Plan.

The first of these will consist specifically in *training in human rights the contracted security personnel in charge of protecting our facilities and the people located there.*

For this, during the 2013-2014 period, the company will update the annual training program that is already in operation in this field and will establish a system to monitor its execution.

Additionally, and with respect to the key aspect of firearms use, Repsol will work exclusively with its security contractors on an action designed to *establish capacity building programmes for security personnel in the use of arms with non-lethal munitions*, introducing an obligatory training programme for this workforce.

Lastly, Repsol has included a final action, which it will carry out with the country's National Police force, to *impart training on human rights to National Police commanders in Peru*. This will be given as part of various seminars with this collective that will take place in the Callao region, and which, among others, will cover human rights issues.

- **Expectation: Internally disseminate the principles for the respect of human rights that form part of Repsol's policy for action.**

As well as the human rights training given by the company to its security contractors (see section above); Repsol will carry out a specific action to communicate to its workforce the importance of respecting these principles.

For this, an initiative will be launched to *increase awareness of human rights in the LPG business unit in Peru*, as part of which key CSR concepts, focused on human rights, will be disseminated via informative communications.

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	Impart training on human rights to National Police commanders in Peru.
DESCRIPTION	We will carry out seminars for National Police commanders from the Callao Region Directorate, whose content will include human rights issues.
INDICATOR	Number of seminars carried out.
YEAR IMPLEMENTED	2013

ACTION	Increase awareness of human rights in the LPG business unit in Peru.
DESCRIPTION	We will communicate to the whole LPG Peru business unit, via informative messages, key Corporate Responsibility concepts focused on human rights.
INDICATOR	Number of informative communications made.
YEAR IMPLEMENTED	2013
ACTION	Evaluate the environmental and human rights impacts of the new LPG plants located in Cusco and Pisco.
DESCRIPTION	We will carry out an environmental and human rights impact assessment in the new bottling plants that the LPG Peru business unit plants to build; one plant in the city of Cusco and the other in Pisco. The assessment will be carried out through the application of the corporate Environmental, Social and Health Impact Assessment standard.
INDICATOR	Environmental, Social and Health Impact Assessment standard (EIASS) carried out.
YEAR IMPLEMENTED	2013
ACTION	Evaluate the environmental and human rights impacts of our activities in the new Exploration and Production project in Peru.
DESCRIPTION	We will carry out a pilot environmental and human rights impact assessment for the 2D seismic prospecting project in Block 109, through the application of the corporate Environmental, Social and Health Impact Assessment standard, without affecting the deadlines established by the Peruvian authorities to approve this project.
INDICATOR	Pilot environmental and human rights impact assessment without affecting the official environmental impact assessment (EIA).
YEAR IMPLEMENTED	2013

ACTION	Train in human rights the contracted security personnel in charge of protecting our facilities and the people located there.
DESCRIPTION	We will update the anual training programme in human rights and establish a system to monitor its execution.
INDICATOR	<ul style="list-style-type: none"> - Number of monitoring controls carried out on the courses imparted. - Percentage of security personnel trained or revalidated.
YEAR IMPLEMENTED	2013 - 2014
ACTION	Establish capacity building programmes for security personnel in the use of arms with non-lethal munitions.
DESCRIPTION	We will introduce an obligatory training programme for security contracting companies in the use of arms with non-lethal munitions.
INDICATOR	<ul style="list-style-type: none"> - Shooting programme developed. - Number of training courses given per person.
YEAR IMPLEMENTED	2013 - 2014
ACTION	Elaborate guidelines for developing social abandonment plans.
DESCRIPTION	We will establish guidelines to follow when it is found necessary to abandon operations, whether on a temporary or permanent basis.
INDICATOR	Document with guidelines.
YEAR IMPLEMENTED	2014

Programme 3

Labour practices

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

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

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

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

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

Labour Practices Programme		
<p>Expectation: Ensure equality of opportunities for all workers and prohibit discrimination, both direct and indirect, in all labour practices.</p>	<p>Expectation: Guarantee the occupational health and safety of employees and contractors.</p>	<p>Expectation: Provide all workers with working conditions that permit, as far as possible, the reconciliation of family and working life.</p>
<p>Expectation: Have specific human rights policies focused on the wellbeing and health of employees.</p>		
<p>Actions included in the programme:</p> <ol style="list-style-type: none"> 1. Increase the number of safety and environmental certifications held by service stations in Peru. 2. Establish high standards of occupational safety and train personnel on this issue. 3. Promote the employment of people with different abilities. 4. Protect the work-life balance of our employees in Peru. 5. Implement a Health and Social Wellbeing Plan for Repsol's employees and their families in Peru. 		

- **Expectation: Ensure equality of opportunities for all workers and prohibit discrimination, both direct and indirect, in all labour practices.**

Promoting the employment of people with different abilities is one of the company's Corporate Responsibility priorities. For this, an action has been included in the Peru Sustainability Plan specifically covering this issue (*promote the employment of people with different abilities*).

Through this action, Repsol will continue developing the "Creciendo Juntos" programme that promotes the insertion of persons with a variety of disabilities into the workforce of different businesses and corporate functions. Additionally, the company will promote dissemination and awareness actions, as well as the training of those people with different abilities incorporated into the company.

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

Conscious of the importance of this issue in maintaining a good working climate in the company, Repsol has included an action in the current Sustainability Plan to address it.

The action will be to *protect the work-life balance of our employees in Peru*, and, among other actions, will lead to the expansion of the existing telecommuting programme in the country to include up to 25 people, as well as studying the results of this programme in the different businesses and corporate functions of the company.

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

The importance of guaranteeing a safe and healthy environment for all those who work in our facilities, has led Repsol to implement multiple initiatives and management systems to address this issue.

As well as these, the company has included two actions in the current Plan to strengthen its own safety performance as well as that of other companies that work closely with us.

Through the first of these actions, Repsol will carry out various initiatives to *establish high standards of occupational safety and train personnel on this issue*, which will not only involve our workforce, but will be extended to cover contractors, in order to achieve a cultural change in this regard.

The efforts made to maintain safe and health conditions will be reinforced, including in the company's service stations. For this, Repsol will work to *increase the number of safety and environmental certifications held by service stations in Peru*.

This initiative will suppose an increase in the number of service stations that are certified according to the ISO 14001:2004 and OHSAS 18001:2007 standards, with the aim of consolidating a culture of safety and environmental protection in their processes and converting them into service stations of reference in this market in Peru.

- **Expectation: Have specific human rights policies focused on the wellbeing and health of employees.**

Finally, with regards to the promotion of health and wellbeing in the workforce, Repsol has included a final action in this programme to *implement a Health and Social Wellbeing Plan for Repsol's employees and their families in Peru.*

With this, the company will engage in various initiatives aimed at guaranteeing compliance with legal regulations on occupational health and safety, carry out the required training of the workforce and perform inspections of work areas, as well as making various efforts to monitor health levels.

In the same way, within the framework of this action, Repsol will carry out various vaccination campaigns as well as a specific wellbeing plan designed, not only for workers but also their families. Apart from including aspects related with health, this plan will also include activities for labour integration, consisting of both sports activities and social and cultural ones.

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	Increase the number of safety and environmental certifications held by service stations in Peru.
DESCRIPTION	We will increase the number of service stations certified according to the ISO 14001:2004 and OHSAS 18001:2007 with the aim of consolidating the company's culture of safety and environmental protection and converting them into service stations of reference in this market in Peru.
INDICATOR	- Number of service stations certified. - Accomplishment of work plan.
YEAR IMPLEMENTED	2013

ACTION	Establish high standards of occupational safety and train personnel on this issue.
DESCRIPTION	We will carry out actions aimed at achieving cultural change with regards to safety and the Environment, both among the company's own personnel and that of contractors.
INDICATOR	<ul style="list-style-type: none"> - Progress made in training and awareness actions. - Progress made in the safety training plan for contractors. - Progress made in the collaborative plan for the homologation of safety.
YEAR IMPLEMENTED	2013
ACTION	Implement a Health and Social Wellbeing Plan for Repsol's employees and their families in Peru.
DESCRIPTION	<p>The Health Plan consists of preventative and health protection actions, regarding incidents at work, that are based on five pillars:</p> <ul style="list-style-type: none"> - Compliance with legal regulations on occupational health and safety. - Training courses. - Vaccinations. - Work area inspections. - Monitoring of health levels and audits. <p>The Wellbeing Plan is based on social support for workers and their family groups, including activities for labour integration, consisting of both sports activities and social and cultural ones.</p>
INDICATOR	<ul style="list-style-type: none"> - Health Plan: level of accomplishment of the programme. - Wellbeing Plan: number of activities carried out.
YEAR IMPLEMENTED	2013

ACTION	Promote the employment of people with different abilities.
DESCRIPTION	<ul style="list-style-type: none"> - We will continue developing the “Creciendo Juntos” programme, promoting the insertion of persons with a variety of disabilities into the workforce of the company’s different businesses and corporate functions in Peru. - We will promote the dissemination, awareness raising, flourishing and training of those people with different abilities incorporated into the company.
INDICATOR	<ul style="list-style-type: none"> - Number of people with different abilities incorporated into Repsol Peru’s workforce. - Number of dissemination activities carried out. - Number of training activities carried out.
YEAR IMPLEMENTED	2013-2014

ACTION	Protect the work-life balance of our employees in Peru.
DESCRIPTION	We will expand the telecommuting programme to include up to 25 of Repsol Peru’s employees, analysing the results of this programme in the different businesses and corporate functions of the company.
INDICATOR	<ul style="list-style-type: none"> - Number of people incorporated into the telecommuting programme. - Analysis of results using surveys.
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 10 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: Have procedures in place to prevent, mitigate and remediate fuel spills and those of other crude oil products.	Expectation: Implement optimal measures to progressively reduce and minimize direct and indirect greenhouse gas emissions.	Expectation: Apply particularly demanding ecosystem protection standards and procedures to those operations carried out in areas rich in biodiversity.
Expectation: Reuse water as much as possible.	Expectation: Implement a prevention and preparation programme for accidents.	Expectation: Make energy savings wherever possible.
Expectation: Implement measures aimed at preventing pollution and the generation of waste.	Expectation: Carry out the sustainable exploitation of natural resources.	Expectation: Identify potential negative impacts on biodiversity and ecosystem services, and take measures to eliminate or minimise these impacts.
Actions included in the programme: <ol style="list-style-type: none"> 1. Update the contingency plan for marine spills and the environmental sensitivity map of La Pampilla refinery. 2. Analyse opportunities of reusing treated domestic wastewater from the Nuevo Mundo operational base. 3. Avoid possible damages to the environment by composting the organic waste produced in the Nuevo Mundo base camp. 4. Promote strict ecosystem protection procedures among those exploration and production operators who are business partners, in areas rich in biodiversity. 5. Encourage the collection of recyclable materials in Peru's service station network, promoting a recycling awareness in our community. 6. Inform immediately and accurately on environmental and occupational safety accidents that occur in La Pampilla industrial complex, as soon as they are identified. 7. Improve the energy efficiency of our operations in the La Pampilla refinery. 8. Promote biodiversity protection, developing a geo-referenced database of biological and environmental data for the Block 57 exploration and production project. 9. Promote the reduction of greenhouse gas emissions among our suppliers and contractors. 10. Improve the management of water in La Pampilla refinery. 		

- **Expectation: Make energy savings wherever possible.**

During 2013, Repsol will continue working to *improve the energy efficiency of our operations in La Pampilla refinery.*

This will ultimately entail achieving ISO 50001 certification of the facility's energy management system, as well as promoting the use of gas natural in cogeneration processes, furnaces and boilers.

- **Expectation: Implement optimal measures to progressively reduce and minimize direct and indirect greenhouse gas emissions.**

In addition to the other initiatives already implemented by the company in recent years, Repsol has included an action in the Plan that is specifically aimed at promoting the minimisation of emissions that contribute to climate change in its value chain.

This action to *promote the reduction of greenhouse gas emissions among our suppliers and contractors*, will lead to the selection of those, from the refining business, fuel service stations and other activities, who are prepared to progress on this issue. Specific training will be given to them so that they can improve their performance over the coming years.

- **Expectation: Apply particularly demanding ecosystem protection standards and procedures to those operations carried out in areas rich in biodiversity.**

Some of the operations in which the company participates are located near areas of high environmental sensitivity. For this, in line with the present Plan, Repsol will work on an action to *promote strict ecosystem protection procedures among those exploration and production operators who are business partners, in areas rich in biodiversity.*

This innovative action will begin to be practiced during the 2013-2014 period and will involve the sharing of good practices, standards and procedures applied by Repsol with these business partners, stressing the importance of exchanging experience gained in carrying out environmental conservation and environmental impact mitigation studies.

At the same time, the company will foster, within the context of this action, various initiatives related with projects for the certification of the carbon footprint of operations in Camisea, where we are not operators.

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

Additionally, in line with the company's efforts to reduce the number of biodiversity related incidents in operations, Repsol has included another innovative action in the Plan to *promote biodiversity protection, developing a geo-referenced database of biological and environmental data for the Block 57 exploration and production project.*

As a result of this action, the company will develop a specific database which will be integrated into and compatible with the tools and Geographic Information Systems (GIS) that it already has in place. In addition, Repsol will progress in the verification and validation of the biological information from the baseline already developed (fact-sheets on recorded species).

- **Expectation: Implement a prevention and preparation programme for accidents.**

In order to respond to this expectation, Repsol has included a specific action in the Sustainability Plan to *inform immediately and accurately on environmental and occupational safety accidents that occur in La Pampilla industrial complex, as soon as they are identified.*

In this way, all incidents of this type (major or minor) that might occur will warrant the convening of a committee meeting by the business where the incident took place, including all the advisory bodies, in order to gather and process information, and make it public as soon as possible.

- **Expectation: Have procedures in place to prevent, mitigate and remediate fuel spills and those of other crude oil products.**

During 2013-2014, Repsol will work to *update the contingency plan for marine spills and the environmental sensitivity map of La Pampilla refinery.*

This action, designed to reduce the risks that the company's activities might pose with regards to spills, will include an evaluation of a better leak detecting system, as well as the updating of the environmental sensitivity map for the sea, a body that can be affected in the event of an oil spill by operations in marine terminals.

- **Expectation: Carry out the sustainable exploitation of natural resources.**

The sustainable exploitation of water resources is a key issue in Peru due to the hydrological characteristics of the country.

In this context, in addition to the measures implemented in recent years, Repsol has included another action in this Plan to *improve the management of water in La Pampilla refinery.* This will lead to the carrying out the update of *La Pampilla Refinery's Water Map* [which contains information about the water captured, volume, etc.] with the aim of optimizing the consumption and waste.

- **Expectation: Reuse water as much as possible.**

Also regarding the use of water resources, Repsol has included an action in the Plan to *analyse opportunities of reusing treated domestic wastewater from the Nuevo Mundo operational base.*

As part of this initiative, the company will analyse the effluent discharged from this facility's domestic wastewater treatment system, with the aim of proposing alternatives for its reuse.

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

In order to respond to this initiative, Repsol will work on two actions within the Sustainability Plan's framework.

The first of these, an innovative action to be carried out during the 2013-2014 period, is to *avoid possible damages to the environment by composting the organic waste produced in the Nuevo Mundo base camp.*

For this, a pilot project will be carried out for this type of treatment, avoiding potential impacts that might be generated by continuing to do it according to the conventional method.

In the same way, with regards to service stations, Repsol will work to *encourage the collection of recyclable materials in Peru's service station network, promoting a recycling awareness in our community.*

This activity will entail the positioning of containers in the stations of the company's network at national level, to permit the collection of various materials (batteries, plastic wrappers and paper). Additionally, the company will carry out communication campaigns every four months to inform on the use of containers for recyclable materials, and will seek strategic business partners that will invest in this initiative and promote recycling awareness.

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

ACTION	Improve the management of water in La Pampilla refinery.
DESCRIPTION	We will carry out the update of La Pampilla Refinery's Water Map [which contains information about the water captured, volume, etc.] with the aim of optimizing the consumption and waste.
INDICATOR	Completion date of the study.
YEAR IMPLEMENTED	2013
ACTION	Update the contingency plan for marine spills and the environmental sensitivity map of La Pampilla refinery.
DESCRIPTION	We will update the contingency plans for oil spills, evaluating a better leak detecting system and updating the environmental sensitivity map for the sea, a body that can be affected in the event of an oil spill by operations in marine terminals.
INDICATOR	Effective date of the update.
YEAR IMPLEMENTED	2013-2014
ACTION	Analyse opportunities of reusing treated domestic wastewater from the Nuevo Mundo operational base.
DESCRIPTION	We will analyse the effluent discharged from the domestic wastewater treatment system of the Nuevo Mundo operating base, with the aim of proposing alternatives for its reuse.
INDICATOR	Report of alternatives for the reuse of domestic wastewater from the Nuevo Mundo operating base.
YEAR IMPLEMENTED	2013-2014

ACTION	Avoid possible damages to the environment by composting the organic waste produced in the Nuevo Mundo base camp.
DESCRIPTION	We will carry out a pilot project for the composting of organic waste, avoiding potential impacts generated by the conventional method and favouring a treatment with environmental benefits.
INDICATOR	Results of the pilot project carried out and assessment.
YEAR IMPLEMENTED	2013-2014

ACTION	Promote biodiversity protection, developing a geo-referenced database of biological and environmental data for the Block 57 exploration and production project.
DESCRIPTION	<ul style="list-style-type: none"> - We will develop a database that will be integrated and compatible with Repsol's existing tools and Geographic Information Systems (GIS). - We will verify and validate the biological information from the baselines developed by the company (fact-sheets on recorded species).
INDICATOR	Database with geo-referenced biological and environmental information developed for Block 57.
YEAR IMPLEMENTED	2013 - 2014

ACTION	Promote strict ecosystem protection procedures among those exploration and production operators who are business partners, in areas rich in biodiversity.
DESCRIPTION	<ul style="list-style-type: none"> - We will share good practices, standards and procedures applied by Repsol in ecosystems rich in biodiversity. <p>Stressing the importance of the exchange of our experience in environmental conservation and environmental impact mitigation studies.</p> <ul style="list-style-type: none"> - We will encourage initiatives related with the carbon footprint certification projects of the operations in Camisea where we are not operators.
INDICATOR	Number of activities carried out.
YEAR IMPLEMENTED	2013 – 2014
ACTION	Encourage the collection of recyclable materiales in Peru's service station network, promoting a recycling awareness in our community.
DESCRIPTION	<ul style="list-style-type: none"> - We will position containers in service stations of the company's network at national level, to collect various materials (batteries, plastic wrappers and paper). - We will carry out communication campaigns every four months to inform on the use of containers for recyclable materials. - Furthermore, we will seek strategic business partners that will invest in this initiative and promote a recycling awareness.
INDICATOR	<p>Company's own service stations:</p> <ul style="list-style-type: none"> - Installation of 15 containers in total. - Number of customers surveyed on their knowledge and use of the programme.
YEAR IMPLEMENTED	2013

ACTION	Inform immediately and accurately on environmental and occupational safety accidents that occur in La Pampilla industrial complex, as soon as they are identified.
DESCRIPTION	We will work so that all incidents of this nature (major or minor) warrant the convening of a committee meeting by the business where they take place, including all the advisory bodies, in order to gather and process information, and make it public as soon as possible through the established channels.
INDICATOR	Committees convened / Reports of incidents that occur.
YEAR IMPLEMENTED	2013-2014

ACTION	Improve the energy efficiency of our operations in La Pampilla refinery.
DESCRIPTION	We will achieve ISO 50001 certification for the energy management system of La Pampilla refinery. We will proceed to use natural gas in cogeneration, furnaces and boilers.
INDICATOR	- Effective date for obtaining the certification. - Effective date for the launch of the project to use gas natural.
YEAR IMPLEMENTED	2013

ACTION	Promote the reduction of greenhouse gas emissions among our suppliers and contractors.
DESCRIPTION	From among the suppliers and contractors of refining businesses and fuel service stations, depending on the nature of what they supply, we will select those prepared to reduce their greenhouse gas emissions, training them on aspects associated with climate change.
INDICATOR	Number of companies selected.
YEAR IMPLEMENTED	2013

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 Peru, the company has included 19 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	
Expectation: Inform employees, business partners, suppliers, contractors and distributors on the policies and mechanisms that the company has adopted in the fight against corruption.	Expectation: Support private initiatives or those of stakeholders and social dialogue, for responsible supply chain management.
Expectation: Integrate ethical, social, environmental, gender equality, and health and safety criteria into purchasing policies and practices.	Expectation: Actively participate in increasing the awareness of CSR in the organisations with which the company operates.
Expectation: Promote Social Responsibility in the value chain by disseminating social and environmental best practices and lessons learnt.	Expectation: Guarantee compliance with high social, environmental and ethical standards in the supply chain through continuous monitoring.
Expectation: Regarding subcontracted workers, ensure that the third parties that contract them are legitimate companies, whose integrity has been recognised and that have adequate social and environmental management systems.	Expectation: Consider the possibility of giving support to SMEs, including increasing their awareness of CSR issues.

Acciones incluidas en el programa:

1. Train Community Relations Management people of the E&P Peru business unit on ethical issues and inform the Ethics Committee of cases of corruption that take place.
2. Collaborate with other companies from the sector on the issue of safety in the refining business in Peru.
3. Contribute to increase the number of ethical, social and environmental standards adopted in our network of commercial LPG distributors in Peru.
4. Increase the level of compliance with social, environmental and ethical standards among hydrocarbon transport companies.
5. Evaluate contracting companies on Social Responsibility and on their compliance with labour obligations concerning displaced employees in La Pampilla refinery.
6. Encourage the development of local suppliers in the area of influence of Repsol's Exploration and Production operations in Peru.
7. Implement a subcontractor rating procedure for subcontractors in the Peru Business Unit's Exploration and Production business.
8. Incorporate ethical, environmental and human rights issues into the rating process for suppliers of the Exploration and Production business in Peru.
9. Influence those Exploration and Production operators who are business partners so that, when necessary, they report on the details of environmental and safety related incidents that may occur, as well as the progress made in their social investment plans developed with affected communities.
10. Inform our stakeholders on the safety and environmental commitments incorporated into the productive processes of the LPG Peru plants.
11. Improve safety in the overland transport of our transport contractors in the LPG business in Peru.
12. Promote an increase in Corporate Responsibility in the value chains of La Pampilla refinery's wholesale customers.
13. Encourage improvements in the performance of Repsol Peru's Exploration and Production suppliers regarding social, environmental and safety issues.
14. Ensure that our Exploration and Production contractors comply with labour obligations concerning their employees.
15. Check on the application of Corporate Responsibility policies and procedures by suppliers and contractors of the Exploration and Production business in Peru.
16. Apply preventative measures to detect criminal conduct in the contractor rating process.
17. Incorporate ethical and human rights issues in our agreements made with the suppliers of the refining and marketing businesses.
18. Ensure that the company's contractors in Peru, in all business and corporate areas, comply with labour regulations.
19. Revise the civil contracts for services made with contractors in order to establish norms to monitor their compliance with labour obligations.

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

With the aim of responding to this expectation, the company will work on an action to *train Community Relations Management people of the E&P Peru business unit on ethical issues and inform the Ethics Committee of cases of corruption that take place.*

For this, awareness raising and training programmes will be carried out for these personnel, in order to equip them with the necessary knowledge on these issues, as well as on existing internal mechanisms for reporting cases of corruption that could occur in their area of work.

- **Expectation: Support private initiatives or those of stakeholders and social dialogue, for responsible supply chain management.**

The responsible management of the supply chain is a priority area for Repsol and, therefore, in the current financial year the company will *collaborate with other companies from the sector on the issue of safety in the refining business in Peru*

In particular, the company will support the company VOPAK to implement the contractor safety rating system. In the same way, it will try to sign a new collaboration agreement on this issue with other companies in the sector.

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

As well as the other initiatives and systems already operating in the company with respect to this issue, Repsol will fulfil this expectation through three actions of the Sustainability Plan.

The first of these, to *incorporate ethical, environmental and human rights issues into the rating process for suppliers of the Exploration and Production business in Peru*, will include various activities such as the carrying out of performance ratings on those that provide services for critical activities.

Among other issues, these analyses will consider aspects such as ethical behaviour, respect for human rights and the Environment, and more specifically, matters associated with workers' working conditions.

In the same way, Repsol will work with its refining and marketing suppliers in a second area related with ethics and human rights. For this, another action has been included in the current Plan to *incorporate ethical and human rights issues in our agreements made with the suppliers of the refining and marketing businesses*. This action will entail the incorporation of the annex model created by the company into service contracts signed with these suppliers; a model that aligns aspects concerning ethics, respect for human rights and the Environment with Repsol's standards.

Finally, Repsol will engage in a third action within the context of this expectation to *implement a subcontractor rating procedure for subcontractors in the Peru Business Unit's Exploration and Production business*.

This initiative will involve asking suppliers, during the service contracting process, for the list of companies that they plan to subcontract in order to be able to verify if they comply with the minimum requirements indicated in the supplier management standard. These requirements include the requirement of having declarations of compliance with Corporate Responsibility aspects.

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

During the period covered by the existing Plan, Repsol will promote three specific actions to encourage the organisations with which it collaborates to have a better understanding of CSR and a better performance in this regard.

The first of these will be to *encourage improvements in the performance of Repsol Peru's Exploration and Production suppliers regarding social, environmental and safety issues*. This promotion effort will be based on the procedure used for "Quality Meetings" that

are held with users and suppliers in order to provide them with the feedback that is necessary to improve their processes and, in turn, the service they provide to Repsol. The topics covered in this meeting will be technical, safety and Corporate Responsibility.

Concerning the second action included in this area, this will aim to *contribute to increase the number of ethical, social and environmental standards adopted in our network of commercial LPG distributors in Peru*. In this regard, the company will organise capacity building and awareness raising workshops for these distributors on the importance and impact that the management of this business has on the community; as well as good practices that can be implemented regarding ethics, respect for human and labour rights of contracted personnel, and social and environmental aspects.

Of high importance is the fact that, in the context of this action, the company will reinforce training in transport safety.

Finally, Repsol will work on a third action to *improve safety in the overland transport of our transport contractors in the LPG business in Peru*. Again this will be based on the development of a capacity building and awareness raising programme for these contractors, so that they can improve their management of safety and the Environment; analyse and control possible risks that exist; and to achieve a reduction in the accident rate.

- **Expectation: Promote Social Responsibility in the value chain by disseminating social and environmental best practices and lessons learnt.**

Repsol will disseminate among its stakeholders the adoption of good social and environmental practices to encourage improvement in these areas. For this, three actions have been introduced into the Sustainability Plan.

The first of these will be to *promote an increase in Corporate Responsibility in the value chains of La Pampilla refinery's wholesale customers* and will entail, fundamentally, the creation of a committee of wholesale distributors in which to disseminate good practices.

In the same way, through the second action, Repsol will *inform our stakeholders on the safety and environmental commitments incorporated into the productive processes of the LPG Peru plants*. This dissemination effort will be developed with an "Open Doors" event, to which distributors and other stakeholders such as authorities, institutions, workers' families and schools in the area of influence will be invited to participate.

Additionally, the company will also work to promote good practices among another key agent within the value chain: its business partners in operations. For this, Repsol will *influence those Exploration and Production operators who are business partners so that, when necessary, they report on the details of environmental and safety related incidents that may occur, as well as the progress made in their social investment plans developed with affected communities*.

This action will consist in requesting that the business partner who operates the Camisea project includes the performance indicators related with safety and the Environment in the committees of operational technicians. Additionally, the company will ask this business partner for details and progress made in the Social Investment Plans approved in the context of the project.

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

With the aim of guaranteeing that the supply chain carries out its operations according to high standards of conduct, Repsol has included four actions in the present Plan. One of these is focused on preventing criminal behaviour by suppliers and the other three concern the application of voluntary standards.

With respect to the prevention of crime, Repsol will work to *apply preventative measures to detect criminal conduct in the contractor rating process.*

With this, the company will progress in the development of mechanisms, procedures and activities to guarantee that links do not exist with companies of dubious reputation and companies associated with illegal activities. Additionally, within the context of this action, a specific analysis of these issues will be performed on certain companies, an analysis that will take place before the awarding of any possible contracts.

As well as that mentioned before, Repsol will launch three other actions whose objective in this case is to guarantee that its suppliers and contractors comply with high environmental, social and ethical standards, having been adopted by them voluntarily.

The first of these will be to *check on the application of Corporate Responsibility policies and procedures by suppliers and contractors of the Exploration and Production business in Peru.* This action will involve the performing of audits to verify in the field that these contractors and suppliers apply their Corporate Responsibility policies and procedures.

Furthermore, regarding the hydrocarbon transport companies in particular, Repsol will work to *increase the level of compliance with social, environmental and ethical standards through various programmes.* With these the company will guarantee the good condition of transport units, as well as ensuring the dissemination of ethical standards in checkpoints, among other activities.

- **Expectation: Regarding subcontracted workers, ensure that the third parties that contract them are legitimate companies, whose integrity has been recognised and that have adequate social and environmental management systems.**

Another of the aspects in which Repsol will work specifically with its suppliers and contractors will be in guaranteeing that these comply with its legal labour obligations when working in the company's projects. For this, within the present Sustainability Plan, four actions have been included.

The first two will be to *evaluate contracting companies on Social Responsibility and on their compliance with labour obligations concerning displaced employees in La Pampilla refinery; and ensure that our Exploration and Production contractors comply with labour obligations concerning their employees.*

Each of these will incorporate the development of an audit and rating process in order to ensure the correct behaviour of suppliers and contractors in this area.

Through a third action, Repsol will, furthermore, work to *ensure that the company's contractors in Peru, in all business and corporate areas, comply with labour regulations.*

With this initiative, which is very much linked with the previous ones, Repsol will continue progressing with the work it has been carrying out in this field during recent years and which fundamentally will consist in promoting compliance with the existing internal norm in the company on the assignment of an illegal workforce that regulates these issues.

Additionally, in the context of this action, Repsol will promote the attainment of working environments in these companies that limit the labour risks to which workers could be subjected. To achieve this, the use of the "Empresario" tool will be encouraged, in which these kinds of risks, for all business and corporate areas, will be recorded. The company will work on the definition and review of action plans to mitigate or eliminate them entirely.

Finally, Repsol will also work during the existing Plan's timeframe on a final action to *revise the civil contracts for services made with contractors in order to establish norms to monitor their compliance with labour obligations.* For this, the company will revise the contracts of its principal contractors, in coordination with business units, in order to ensure their compliance with all its labour obligations.

- **Expectation: Consider the possibility of giving support to SMEs, including increasing their awareness of CSR issues.**

Repsol will help to contribute to the development of small and medium sized enterprises located in areas of operations that could provide services to the company. For this, the current version of the Plan has included an action to *encourage the development of local suppliers in the area of influence of Repsol's Exploration and Production operations in Peru.*

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	Apply preventative measures to detect criminal conduct in the contractor rating process.
DESCRIPTION	<ul style="list-style-type: none"> - We will develop mechanisms, procedures and activities to guarantee that links do not exist with companies of dubious reputation and companies related with illegal activities. - We will carry out an analysis of companies of a certain profile before the awarding of contracts.
INDICATOR	Number of companies evaluated.
YEAR IMPLEMENTED	2013

ACTION	Collaborate with other companies from the sector on the issue of safety in the refining business in Peru.
DESCRIPTION	<ul style="list-style-type: none"> - We will collaborate with the company VOPAK to implement the contractor safety rating system. - In the same way, will try to sign a new collaboration agreement with other companies from the sector.
INDICATOR	<ul style="list-style-type: none"> - Percentage of accomplishment in the programme with the company VOPAK. - Number of collaboration agreements signed.
YEAR IMPLEMENTED	2013

ACTION	Contribute to increase the number of ethical, social and environmental standards adopted in our network of commercial LPG distributors in Peru.
DESCRIPTION	<ul style="list-style-type: none"> - We will organise capacity building and awareness raising workshops for our distribution network on the importance and impact that business management has in the community. The workshops and talks will focus on good practices regarding ethics and respect for the human and labour rights of their contracted personnel, as well as social and environment good practices. - Additionally and of high importance is the fact that we will reinforce training in transport safety.
INDICATOR	<ul style="list-style-type: none"> - Number of workshops carried out. - Number of distributors trained / Number of active distributors in the network.
YEAR IMPLEMENTED	2013

ACTION	Increase the level of compliance with social, environmental and ethical standards among hydrocarbon transport companies.
DESCRIPTION	<p>We will carry out programmes that include the following:</p> <ul style="list-style-type: none"> - Ensuring the good condition of transport units. - Dissemination of ethical standards in check points, designed to avoid fraudulent actions by internal or external personnel. - Review of the size of fines received by drivers and the extent of their dissemination. - Include information on the poor state of tankers and breaches of standards in communications to the Investment in Energy and Mining Supervisory Body (OSINERGMIN).
INDICATOR	Execution of programmes.
YEAR IMPLEMENTED	2013

ACTION	Influence those Exploration and Production operators who are business partners so that, when necessary, they report on the details of environmental and safety related incidents that may occur, as well as the progress made in their social investment plans developed with affected communities.
DESCRIPTION	<ul style="list-style-type: none"> - We will request that the business partner operating the Camisea project includes performance indicators related with safety and the Environment in the committees of operations technicians. - Furthermore, we will ask the business partner operating the Camisea project for the Social Investment Plans and the progress made with these.
INDICATOR	Number of activities carried out.
YEAR IMPLEMENTED	2013

ACTION	Inform our stakeholders on the safety and environmental commitments incorporated into the productive processes of the LPG Peru plants.
DESCRIPTION	<ul style="list-style-type: none"> - We will report on the environmental and safety commitments, according to which each production process operates in the plants. - We will carry out the "Open Doors" event, to which we will invite the authorities, institutions, distributors, workers' families and schools in the area of influence.
INDICATOR	<ul style="list-style-type: none"> - Event held. - Number of attendees per event.
YEAR IMPLEMENTED	2013

ACTION	Improve safety in the overland transport of our transport contractors in the LPG business in Peru.
DESCRIPTION	<p>We will carry out a capacity building and awareness raising programme for our LPG transport contractors in Peru on the following aspects:</p> <ul style="list-style-type: none"> - Improving safety and environmental management mechanisms for the transport of LPG. - Analysing and controlling safety and environmental risks in the transport of LPG. - Increasing safety in the operations of LPG transport. - Reducing the accident rate. - Safe driving.
INDICATOR	Programme of actions accomplished.
YEAR IMPLEMENTED	2013
ACTION	Promote an increase in Corporate Responsibility in the value chains of La Pampilla refinery's wholesale customers.
DESCRIPTION	We will create a committee of wholesale distributors to disseminate good practices.
INDICATOR	Accomplishment of the meetings programme.
YEAR IMPLEMENTED	2013
ACTION	Incorporate ethical and human rights issues in our agreements made with the suppliers of the refining and marketing businesses.
DESCRIPTION	We will modify the Services Contracts so that they take into account aspects regarding ethical behaviour, respect for human rights and the Environment in line with Repsol's standards.
INDICATOR	Model of contract modified.
YEAR IMPLEMENTED	2013

ACTION	Revise the civil contracts for services made with contractors in order to establish norms to monitor their compliance with labour obligations.
DESCRIPTION	<ul style="list-style-type: none"> - In coordination with the businesses, we will revise contracts signed with the principal contractors, paying greater attention to those in which personnel are displaced to our installations. - The object is to ensure compliance with all their labour obligations, including how they are disposed to control their ability to comply with them.
INDICATOR	Number of contracts revised.
YEAR IMPLEMENTED	2013-2014
ACTION	Evaluate contracting companies on Social Responsibility and on their compliance with labour obligations concerning displaced employees in La Pampilla refinery.
DESCRIPTION	We will carry out evaluations of our contractors and suppliers of La Pampilla refinery to verify their compliance with labour obligations concerning their employees.
INDICATOR	Number of companies evaluated.
YEAR IMPLEMENTED	2013-2014

ACTION	Ensure that the company's contractors in Peru, in all business and corporate areas, comply with labour regulations.
DESCRIPTION	<ul style="list-style-type: none"> - We will continue promoting compliance with the internal norm on assigning an illegal workforce. - Also, we will continue promoting the "Empresario" tool in which all real and potential labour risks, of all businesses and corporate areas, will be registered. - We will define and revise the action plans to eliminate or mitigate all the real or potential labour risks, of all businesses and corporate areas.
INDICATOR	<ul style="list-style-type: none"> - Policy for the monitoring of contractors regarding labour issues. - Definition of risk indicators included in the "Empresario" tool. - Actions defined, monitoring and implementation of improvement plans that respond to these risks.
YEAR IMPLEMENTED	2013-2014

ACTION	Encourage the development of local suppliers in the area of influence of Repsol's Exploration and Production operations in Peru.
DESCRIPTION	We will promote the development of small and medium sized enterprises that could provide services to Repsol and that are located in the area of influence of the projects carried out by Peru's Exploration and Production business unit.
INDICATOR	Number of suppliers in the area of influence in which the company worked to promote their development.
YEAR IMPLEMENTED	2013 -2014

ACTION	Implement a subcontractor rating procedure for subcontractors in the Peru Business Unit's Exploration and Production business.
DESCRIPTION	We will ask suppliers, during the service contracting process, for the list of companies that they plan to subcontract in order that the supplier management department rates them and verifies if they comply with the minimum requirements indicated in the supplier management standard. These requirements include the requirement of having declarations of compliance with Corporate Responsibility aspects.
INDICATOR	Number of contracting processes in which the procedure was used.
YEAR IMPLEMENTED	2013 -2014
ACTION	Train Community Relations Management people of the E&P Peru business unit on ethical issues and inform the Ethics Committee of cases of corruption that take place.
DESCRIPTION	<ul style="list-style-type: none"> - We will carry out awareness raising and training programmes for Community Relations Management personnel so that they have the necessary knowledge on the principal ethical issues and values of the company. - Also, we will make the Community Relations Management personnel aware of the existing internal mechanisms to report cases of corruption that occur in the workplace.
INDICATOR	Number of awareness raising activities.
YEAR IMPLEMENTED	2013-2014

ACTION	Incorporate ethical, environmental and human rights issues into the rating process for suppliers of the Exploration and Production business in Peru.
DESCRIPTION	<ul style="list-style-type: none"> - We will continue carrying out evaluations of the performance of our suppliers of Exploration and Production in Peru that provide services for critical activities. - In the performance evaluations we will analyse aspects related with ethical behaviour, respect for human rights and respect for the Environment. - More specifically, we will examine aspects associated with the working conditions of their workers, as well as their compliance with insurance and guarantees, also linking the evaluation with the settlement agreement.
INDICATOR	<ul style="list-style-type: none"> - Number of supplier evaluations carried out. - Number of settlement agreements that include the evaluation of the supplier as a requirement for its signing.
YEAR IMPLEMENTED	2013-2014

ACTION	Encourage improvements in the performance of Repsol Peru's Exploration and Production suppliers regarding social, environmental and safety issues.
DESCRIPTION	<ul style="list-style-type: none"> - We will implement the "Quality Meetings" procedure with users and suppliers, according to the results of the annual supplier evaluation. - Through meetings with the representatives of the suppliers, the users' areas of the contracts and Procurement and Contracting representatives of the E&P business unit in Peru, this procedure will aim to provide suppliers with the feedback that is necessary to improve their processes and, in turn, the service they provide to Repsol. The themes to be covered in this meeting will be technical and concerning safety and Corporate Responsibility.
INDICATOR	Number of "Quality Meetings" held with suppliers.
YEAR IMPLEMENTED	2013-2014

ACTION	Check on the application of Corporate Responsibility policies and procedures by suppliers and contractors of the Exploration and Production business in Peru.
DESCRIPTION	We will carry out audits of contractors and suppliers of Exploration and Production in Peru, with the aim of verifying the application of their Corporate Responsibility policies and procedures in the field.
INDICATOR	Number of CR audits carried out.
YEAR IMPLEMENTED	2013 -2014
ACTION	Ensure that our Exploration and Production contractors comply with labour obligations concerning their employees.
DESCRIPTION	By carrying out audits in the field, we will verify our contractors' compliance with labour obligations concerning their employees.
INDICATOR	Number of audits carried out.
YEAR IMPLEMENTED	2013 -2014

Programme 6

Consumer issues

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

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

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

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

Additionally, as part of the current Sustainability Plan, the company has included five actions in this subject which aim to respond to the principal expectations identified among stakeholders.

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

Consumer issues programme	
<p>Expectation: Instruct consumers/customers on the correct use of products and warn them of the risks associated with them.</p>	<p>Expectation: Offer consumers sustainable products.</p>
<p>Expectation: Train consumers on the most sustainable use of the company's products.</p>	<p>Expectation: Offer adequate and efficient support and assessment systems to customers.</p>
<p>Actions included in the programme:</p> <ol style="list-style-type: none"> 1. Contribute to raise awareness of the health and safety impacts of the type of fuel used for cooking by low-income Peruvian families. 2. Contribute to the reduction of greenhouse gas emissions by providing necessary incentives to Peru's small and medium sized industrial consumers, in order to substitute residual fuel oil with Liquefied Petroleum Gas (LPG), as a less polluting fuel. 3. Develop a protocol for calculating the carbon footprint of LPG for our industrial customers. 4. Develop and implement a procedure for regulating the management of bidirectional communications with La Pampilla Refinery's customers. 5. Contribute to increase the adoption of safety standards among our business partners in the fuel and lubricant businesses in Peru. 	

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

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

With regards to the current Sustainability Plan, Repsol has included another two additional actions in this context.

The first of these is to *contribute to raise awareness of the health and safety impacts of the type of fuel used for cooking by low-income Peruvian families*. Through this action, the company will give various educative sessions and workshops in schools, with which it will instruct the greatest number of people as possible on the health and safety impacts of the type of fuel used for cooking, strengthening capacities and modifying customs.

The project's methodology also contemplates the identification and training of local promoters, and the awareness raising of opinion leaders so that it's them who give the training to families.

Additionally, regarding large customers, Repsol has incorporated a second action designed to *contribute to increase the adoption of safety standards among our business partners in the fuel and lubricant businesses in Peru*. With this, the company will implement a plan for the dissemination of and training in prevention tools regarding safety among these agents.

- **Expectation: Offer consumers sustainable products.**

In order to reduce greenhouse gas emissions generated by the use of fuels in the industrial sector, Repsol will develop a specific action to encourage the substitution of residual oil fuel with Liquefied Petroleum Gas (LPG), as a less polluting fuel.

This initiative to *-contribute to the reduction of greenhouse gas emissions by providing necessary incentives to Peru's small and medium sized industrial consumers, in order to substitute residual fuel oil with Liquefied Petroleum Gas (LPG), as a less polluting fuel-*, will consist of the offer of various incentives to facilities so that they make this substitution, and that this is carried out in the context of the company's objective of reducing greenhouse gas emissions.

- **Expectation: Train consumers on the most sustainable use of the company's products.**

Among the training and awareness raising initiatives on the alternatives for using products in a more sustainable way, during the existing timeframe of the Plan, Repsol will work on an action to *develop a protocol for calculating the carbon footprint of LPG for our industrial customers*. With this, the company will raise the awareness of these customers on the impacts associated with their activities and the possibilities of reducing them.

- **Expectation: Offer adequate and efficient support and assessment systems to customers.**

Finally, and with the aim of improving the systems of communication, support and assessment for customers, Repsol will work specifically on an action to *develop and implement a procedure for regulating the management of bidirectional communications with La Pampilla Refinery's customers.*

This will enable the establishing of specific communication channels to inform these customers, to ensure that the information is adequate and that it arrives in an opportune way. Equally, within the framework of the action, responsibilities will be defined in order to organise the personnel to be in charge of accomplishing the procedures.

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

ACTION	Contribute to the reduction of greenhouse gas emissions by providing necessary incentives to Peru's small and medium sized industrial consumers, in order to substitute residual fuel oil with Liquefied Petroleum Gas (LPG), as a less polluting fuel.
DESCRIPTION	<ul style="list-style-type: none"> - Through the programme of activities for the substitution of fuel oil with LPG by industrial manufacturers in Peru, we will offer incentives to the industrial facilities of small and medium sized enterprises to substitute the residual fuel oil consumed with LPG. - We will undertake this activity in the context of the company's objective to reduce greenhouse gas (GHG) emissions.
INDICATOR	<ul style="list-style-type: none"> - Number of residual fuel oil substitution projects carried out. - Reduction in number of tonnes of CO₂.
YEAR IMPLEMENTED	2013

ACTION	Develop a protocol for calculating the carbon footprint of LPG for our industrial customers.
DESCRIPTION	We will develop a protocol for calculating the carbon footprint of the LPG sold to our bulk commercial customers, specifically on the following route: Camisea – Transporter – Pisco crude oil plant – ship – Repsol's principal terminal.
INDICATOR	Publish the results of the carbon footprint calculation (tCO ₂ e/process) in the whole LPG value chain that leads to bulk commercial customers, in tCO ₂ /process.
YEAR IMPLEMENTED	2013
ACTION	Develop and implement a procedure for regulating the management of bidirectional communications with La Pampilla Refinery's customers.
DESCRIPTION	We will establish communication channels to inform those customers that acquire products from La Pampilla refinery, in order to ensure that the information is adequate and that it arrives in an opportune way. We will define responsibilities to organise personnel to be in charge of the accomplishment of the procedures.
INDICATOR	<ul style="list-style-type: none"> - Approval of the procedure for communication with customers. - Number of communications recorded.
YEAR IMPLEMENTED	2013

ACTION	Contribute to raise awareness of the health and safety impacts of the type of fuel used by low-income Peruvian families.
DESCRIPTION	<ul style="list-style-type: none"> - We will provide information on the health and safety impacts of the type of fuel used for cooking, building capacities and modifying customs. - We will impart 50 educational sessions and 25 workshops in schools and busy areas, to reach the greatest possible number of people. The methodology of the project contemplates the identification and capacity building of local promoters and the awareness raising of leaders in opinion, so that they are the ones that give the training to families.
INDICATOR	<ul style="list-style-type: none"> - Number of educational sessions carried out. - Number of workshops implemented.
YEAR IMPLEMENTED	2013

ACTION	Contribute to increase the adoption of safety standards among our business partners in the fuel and lubricant businesses in Peru.
DESCRIPTION	We will implement a plan for the dissemination of and training in preventative tools regarding safety among our business partners in the fuel and lubricant businesses.
INDICATOR	<ul style="list-style-type: none"> - Number of workshops carried out. - Number of participants in the workshops.
YEAR IMPLEMENTED	2013

Programme 7

Community involvement and development

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

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

In order to meet the expectations of its stakeholders in the 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 Peru, in its current edition, 17 actions have been included in the subject of community involvement and development to respond to some of the principal expectations identified by stakeholders, such as those shown below.

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

Community involvement and development programme		
<p>Expectation: Consider supporting lasting and universal access to essential services regarding health, drinking water and adequate sanitation.</p>	<p>Expectation: Help to develop programmes to build up skills in the community in alliance with other community members.</p>	<p>Expectation: Pay special attention to vulnerable groups with respect to employment and capacity building.</p>
<p>Expectation: Promote and support education at all levels and become involved in actions that improve the quality of and access to education.</p>	<p>Expectation: Consult representative groups of the community to determine the priorities for social investment and community development activities.</p>	<p>Expectation: Evaluate the company's own initiatives related with the community and inform the community and persons within the organisation and identify where improvements could be made.</p>
<p>Expectation: Support the social and environmental policies of the government with the company's community development programmes.</p>	<p>Expectation: Promote the understanding of local ways of life in the communities affected by the company's activities, in order to operate in an effective and culturally acceptable manner.</p>	<p>Expectation: Comply with agreements made during consultations with communities.</p>
<p>Expectation: Have a transparent relationship with local communities, by disseminating key information and developing periodic reports.</p>	<p>Expectation: Implement and maintain a procedure to manage external communications and complaints proceeding from the community.</p>	

Actions included in the programme:

1. Align investments in social programmes with the expectations identified in the local area of La Pampilla Refinery.
2. Support the Nuevo Mundo native community affected by Repsol Peru's exploration and production operations, to improve the quality of health service.
3. Contribute to greater energy efficiency by promoting the substitution of traditional wood or kerosene burning stoves with Liquefied Petroleum Gas (LPG) stoves.
4. Contribute to the better development of social investment projects in communities by developing monitoring and analysis record sheets.
5. Develop a grants programme for communities affected by production operations in Block 57.
6. Foster understanding of the culture and way of life of communities in the community relations teams.
7. Promote collaboration with academics by developing institutional collaboration plans with public universities on issues of education and culture.
8. Train future Liquefied Petroleum Gas (LPG) and Natural Gas installers, fostering the development of the capacities of the young populations in communities affected by the activities of LPG Peru's plants.
9. Improve heating and hot water facilities in those rural areas most affected by the cold in Peru.
10. Make information, standards and good practices for managing relations with indigenous communities affected by the company's operations, available to operators who are business partners.
11. Enhance the communication of relevant aspects of our sustainability activities.
12. Enhance our social investment to maximise the positive impacts and coverage of the programmes to benefit local communities.
13. Present relevant Native Communities with the action plan, to which Repsol has committed itself, for the application of the policy for relations with indigenous communities.
14. Strengthen the system for registering the commitments made with stakeholders in the exploration and production operations in Peru.
15. Strengthen the profiles of community liaison staff positions, in exploration and production operations in Peru, with training on international indigenous rights standards.
16. Reinforce the community technical capacity building programmes that are aligned with the future workforce requirements of new projects.
17. Internalise the costs related with community relations in the investment decision making processes of our exploration and production operations in Peru.

- **Expectation: Consider supporting lasting and universal access to essential services regarding health, drinking water and adequate health services.**

During the 2013-2014 period, Repsol will launch an action to improve access to an essential service: that of the health of populations in the area of operations.

This action to *support the Nuevo Mundo native community affected by Repsol Peru's exploration and production operations, to improve the quality of health Service*, involves the development of specific campaigns that are associated principally with the seismic projects. Also support will be given to the Nuevo Mundo Native Community in the form of technical assessors, in order to carry out the Feasibility Study, required by the National System for Public Investment (SNIP), for the Community Health Centre.

- **Expectation: Help to develop programmes to build up skills in the community in alliance with other community members.**

During the 2013-2014 period, Repsol will implement an action, within the framework of the Sustainability Plan, to *reinforce the community technical capacity building programmes that are aligned with the future workforce requirements of new projects*.

At first, the initiative will consist of carrying out a feasibility study to endorse the project to create a welders' technical school in the Centre for Studies and Community Development of Ventanilla¹ (Ex University of Ventanilla) that will be self sustainable over time.

¹ Centro de Estudios y Desarrollo Comunitario de Ventanilla.

- **Expectation: Pay special attention to vulnerable groups with respect to employment and capacity building.**

In order to respond to this expectation, Repsol will launch an action to *train future Liquefied Petroleum Gas (LPG) and Natural Gas installers, fostering the development of the capacities of the young populations in communities affected by the activities of LPG Peru's plants.*

For this, the company will impart specific training to young people from low-income backgrounds from the Ventanilla district, seeking to insert them into the job market. The teaching staff will be composed of employees from the workforces of Repsolgas and our contractor companies.

Additionally, within the framework of this action, at the end of the course, the company will grant pre-professional work experience to those in this collective that show the most potential of being inserted into the job market.

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

As well as the other initiatives already launched by the company, within the framework of the 2013-2014 Sustainability Plan, Repsol will work to *promote collaboration with academics by developing institutional collaboration plans with public universities on issues of education and culture.*

For this, the company will make a collaborative agreement with an academic institution on the transferring of technology. Among other activities, this will include talks, training for students and professors, as well as other initiatives that foster the closing of ties and gaining of mutual benefit between the university and industry.

- **Expectation: Consult representative groups of the community to determine the priorities for social investment and community development activities.**

With the aim of adapting its social investment programmes to the true needs of the community, Repsol will carry out an action during 2013 to *align investments in social programmes with the expectations identified in the local area of La Pampilla Refinery.*

This action will involve a review of the ongoing programmes, beginning with the analysis of the expectations of the population near to the facility. Additionally, this evaluation process will also take into account the guide for the management of strategic social investment developed by the company.

In coordination with that mentioned earlier, Repsol will implement a second action aimed at *enhancing our social investment to maximise the positive impacts and coverage of the programmes to benefit local communities, for which the coverage of those that the company has been carrying out in the area of La Pampilla refinery will be expanded.*

- **Expectation: Evaluate the company's own initiatives related with the community and inform the community and persons within the organisation and identify where improvements could be made.**

In the context of the improvement of the social investment programmes, Repsol has launched an action in the Sustainability Plan to *contribute to the better development of social investment projects in communities by developing monitoring and analysis record sheets.*

These record sheets will enable the gathering of all the necessary information with respect to the functioning of programmes, with the aim of analysing their effectiveness in the most objective way possible.

- **Expectation: Support the social and environmental policies of the government with the company's community development programmes.**

Some of the community development initiatives and programmes launched by the company will enable the strengthening of compliance with the social and environmental targets and policies of the country's public administrations.

In this context, two actions that the company will launch within the framework of the current Sustainability Plan, stand out.

The first of these will be to *improve heating and hot water facilities in those rural areas most affected by the cold in Peru.* This objective will be made possible through the development of a project involving the renovation of various buildings in which the population stays overnight, the installation of a hot water supply for their hygiene, and the carrying out of various informative initiatives on the use of LPG.

Furthermore, the project will enable a significant improvement in energy efficiency, as it also includes an initiative to improve the insulation of certain spaces and installations.

For the development of this project, the company will work with a strategic business partner who will support it, covering the cost of the consumption of LPG.

Additionally, Repsol will participate in a second project with an environmental dimension to *contribute to greater energy efficiency by promoting the substitution of traditional wood or kerosene burning stoves with Liquefied Petroleum Gas [LPG] stoves.* This will be performed in collaboration with the Ministry of Energy and Mines, and will involve the provision of stoves based on this fuel, as well as regulation kits, LPG cylinders, free-of-charge vouchers and discount vouchers for future refills.

The project will not only result in a significant improvement to the Environment, but will also lead to an increase in the safety of homes by substituting existing stoves with another less risky alternative.

- **Expectation: Further the understanding of local ways of life in the communities affected by the company's activities, in order to operate in an effective and culturally acceptable manner.**

Accomplishing this expectation is a key factor for successfully managing relations with these collectives.

For this, in the current context of the Plan, Repsol has incorporated two actions aimed at improving the capacities of its Community Relations teams charged with this task.

The first of these, to *foster understanding of the culture and way of life of communities in the community relations teams*, will study various options to achieve this broadening of knowledge.

Additionally, Repsol will work to *strengthen the profiles of community liason staff positions, in exploration and production operations in Peru, with training on international indigenous rights standards*. For this, at first the company will determine the level to which the competencies of the Community Relations staff meet those demanded in the job profile, and as a result, develop an action plan to reduce the gaps identified.

- **Expectation: Comply with agreements made during consultations with communities.**

With the aim of responding to this expectation, Repsol has incorporated an action in the Plan to *strengthen the system for registering the commitments made with stakeholders in the exploration and production operations in Peru*.

This system will constitute a significant improvement in the management of the processes for complying with agreements because it will permit the correct registration and following up of the commitments made over time with different actors; not only the local community and its institutional representatives but also other stakeholders (public administrations, etc.).

Additionally, in the context of this expectation, Repsol has included a second action in the Plan to *present relevant Native Communities with the action plan, to which Repsol has committed itself, for the application of the policy for relations with indigenous communities*.

This action plan constitutes a commitment adopted with the communities that participated previously in the Evaluation of Social Performance study carried out in the year 2010.

The action plan will be presented in a format that has been specifically developed to make it easily understood by the different communities, with the handing out of a questionnaire at the end of the audit in order to know the opinion of the participants.

- **Expectation: Have a transparent relationship with local communities, by disseminating key information and developing periodic reports.**

The company will carry out a range of initiatives to *enhance the communication of relevant aspects of our sustainability activities*. For this, it will elaborate and develop a specific communications plan for its various stakeholders.

- **Expectation: Implement and maintain a procedure to manage external communications and complaints proceeding from the community.**

The correct management of communications plays an essential part in helping to achieve an adequate performance in the management of relations with local communities.

In this sense, as well as the initiatives that the company already carries out, Repsol will collaborate with other agents to disseminate the good practices acquired in this field. For this, it has included in the current Plan an action to *make information, standards and good practices for managing relations with indigenous communities affected by the company's operations, available to operators who are business partners*.

The action will have as its final objective to help the operators, who are our business partners, in the Camisea project to improve their management of affected communities, sharing experiences acquired by the company in this area.

Additionally, the company has included a second action in the Plan regarding the establishing of processes for relations and communications management with the local community. This will be to *internalise the costs related with community relations in the investment decision making processes of our exploration and production operations in Peru*. With this action, the company will make an estimate of the investments for each project that are required in order to carry out these processes adequately with the affected communities.

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	Make information, standards and good practices for managing relations with indigenous communities affected by the company's operations, available to operators who are business partners.
DESCRIPTION	We will seek to influence the management of affected communities by the operators, who are our business partners, in the Camisea project, through sharing the knowledge, standards and good practices developed by Repsol for managing community relations.
INDICATOR	Number of activities carried out.
YEAR IMPLEMENTED	2013 – 2014

ACTION	Internalise the costs related with community relations in the investment decision making processes of our exploration and production operations in Peru.
DESCRIPTION	We will make the estimate of the investments needed for adequate community relations with the communities affected by our activities in the blocks that we operate and in those new blocks that may be operated by Repsol in the future.
INDICATOR	Annual report with the estimates for investment.
YEAR IMPLEMENTED	2013
ACTION	Contribute to greater energy efficiency by promoting the substitution of traditional wood or kerosene burning stoves with Liquefied Petroleum Gas (LPG) stoves.
DESCRIPTION	<ul style="list-style-type: none"> - We will contribute to the substitution of the domestic consumption of Kerosene and Wood with LPG, in collaboration with the Energy and Mines Ministry. For this, stoves that use LPG, a regulation kit, a LPG cylinder, free-of-charge vouchers and discount vouchers for future refills will be provided. - The project aims to contribute to greater energy efficiency in homes as well as improvements in their safety.
INDICATOR	<ul style="list-style-type: none"> - Number of kits and stoves provided versus the number of homes verified for their delivery. - Number of refill requests handed in.
YEAR IMPLEMENTED	2013

ACTION	Train future Liquefied Petroleum Gas (LPG) and Natural Gas installers, fostering the development of the capacities of the young populations in communities affected by the activities of LPG Peru's plants.
DESCRIPTION	<ul style="list-style-type: none"> - We will impart training to young people from low-income backgrounds from the Ventanilla district, seeking to insert them into the local job market. 24 subjects will be taught, starting with basic mathematics, physics and geometry, courses on gas, materials and tools, standards, ethics, project analysis and practical classes in a workshop. <p>The teaching personnel will be made up of employees from Repsol's workforce and that of our contractor companies. We will award pre-professional work experience at the end of the course.</p>
INDICATOR	<ul style="list-style-type: none"> - Organisation of a yearly course. - Number of persons trained. - Number of persons in work experience.
YEAR IMPLEMENTED	2013

ACTION	Improve heating and hot water facilities in those rural areas most affected by the cold in Peru.
DESCRIPTION	<p>We will carry out a project to counter the problem of cold in the rural areas of Peru that are most affected. The project will be coordinated with local, municipal and education authorities to:</p> <ul style="list-style-type: none"> - Furbish buildings with heating so that people are able to stay there overnight. - Install a hot water supply for the hygiene of the population. - Guarantee greater energy efficiency by insulating the spaces beforehand. - Inform the population on the use of LPG. We will work with a strategic partner that will support the project, covering the cost of the consumption of LPG.
INDICATOR	<ul style="list-style-type: none"> - Number of hot water facilities improved. - Number of heating facilities provided.
YEAR IMPLEMENTED	2013

ACTION	Align investments in social programmes with the expectations identified in the local area of La Pampilla Refinery.
DESCRIPTION	Using the results of the materiality study of the population located near to our industrial facilities we will revise the social investment programmes, taking into account the guide for management of strategic social investment.
INDICATOR	<ul style="list-style-type: none"> - Analysis of social projects. - Percentage of accomplishment of the social investment programmes.
YEAR IMPLEMENTED	2013
ACTION	Promote collaboration with academics by developing institutional collaboration plans with public universities on issues of education and culture.
DESCRIPTION	We will make a collaborative agreement with a public academic institution for technology transfer initiatives that include the following activities: talks, training of students and professors, studies, etc., promoting a closer and mutually beneficial relationship between the university and the industry.
INDICATOR	Percentage of progress made in the collaborative agreement with the Universidad Nacional Mayor de San Marcos (Chemistry and Chemical Engineering Faculty) and La Pampilla refinery.
YEAR IMPLEMENTED	2013-2014

ACTION	Enhance our social investment to maximise the positive impacts and coverage of the programmes to benefit local communities.
DESCRIPTION	We will expand the coverage of the social programmes carried out in La Pampilla refinery.
INDICATOR	<ul style="list-style-type: none"> - Percentage of the annual Corporate Responsibility executed. - Percentage increase in the number of beneficiaries of social investment.
YEAR IMPLEMENTED	2013-2014
ACTION	Reinforce the community technical capacity building programmes that are aligned with the future workforce requirements of new projects.
DESCRIPTION	We will carry out a feasibility study to endorse the project for the creation of a welders' technical school in the Centre for Studies and Community Development of Ventanilla (Ex University of Ventanilla) that will be self sustainable over time.
INDICATOR	<ul style="list-style-type: none"> - Percentage of progress made in the feasibility study. - Date for the presentation of the proposal for approval.
YEAR IMPLEMENTED	2013-2014
ACTION	Support the Nuevo Mundo native community affected by Repsol Peru's exploration and production operations, to improve the quality of health service.
DESCRIPTION	<ul style="list-style-type: none"> - We will carry out health campaigns associated principally with the seismic projects. - We will give support to the Nuevo Mundo Native Community in the form of technical assessors, in order to carry out the Feasibility Study, required by the National System for Public Investment (SNIP), for the Community Health Centre.
INDICATOR	<ul style="list-style-type: none"> - Document of the analysis of the standard of health care. - Health campaigns carried out.
YEAR IMPLEMENTED	2013 – 2014

ACTION	Contribute to the better development of social investment projects in communities by developing monitoring and analysis record sheets.
DESCRIPTION	We will design a format of a data sheet for social investment projects in order that they can be analysed in the most objective way possible.
INDICATOR	Format of data sheet for social investment projects.
YEAR IMPLEMENTED	2013
ACTION	Develop a grants programme for communities affected by production operations in Block 57.
DESCRIPTION	We will develop a plan of grants for those communities affected by the production operations that Repsol carries out in Block 57.
INDICATOR	Grants programme.
YEAR IMPLEMENTED	2013-2014
ACTION	Foster understanding of the culture and way of life of communities in the community relations teams.
DESCRIPTION	We will analyse the various ways in which the members of the Community Relations Teams can acquire a better understanding of the culture and way of life of the indigenous communities with which they work.
INDICATOR	Number of activities.
YEAR IMPLEMENTED	2014

ACTION	Present relevant Native Communities with the action plan, to which Repsol has committed itself, for the application of the policy for relations with indigenous communities.
DESCRIPTION	<ul style="list-style-type: none"> - We will present an action plan for the application of the indigenous community relations policy, to which we have committed ourselves, in those communities that participated in the Social Performance Evaluation study. For this: <ul style="list-style-type: none"> o The communities that participated will be determined. o Draw up a Plan of Action presentation understandable to the different communities. o A questionnaire will be developed to carry out an audit in order to find out their opinion of the Plan. o A communication plan will be created for each operation. o The communication will be made. - We will compile a communications activity report for each block, indicating the types of questions and commentaries made, as well as the answers to the questionnaire.
INDICATOR	Report of the activities carried out in each block.
YEAR IMPLEMENTED	2013

ACTION	Strengthen the profiles of community liason staff positions, in exploration and production operations in Peru, with training on international indigenous rights standards.
DESCRIPTION	<ul style="list-style-type: none"> - We will review the profiles of community liason staff positions, with the view to expanding their knowledge on international indigenous rights standards, including Convention 169 of the International Labour Organisation (ILO) and Repsol's internal social standard. - We will determine the level to which the competencies of the Community Relations staff meet those demanded in the job profile, and as a result, develop an action plan to reduce the gaps identified.
INDICATOR	<ul style="list-style-type: none"> - Profiles reviewed. - Plan of action established.
YEAR IMPLEMENTED	2013

ACTION	Strengthen the system for registering the commitments made with stakeholders in the exploration and production operations in Peru.
DESCRIPTION	We will develop a system that allows for the correct registering and monitoring of the commitments made with stakeholders (communities, institutional representatives of the communities, public administrations, etc.)
INDICATOR	<ul style="list-style-type: none"> - Number of commitments. - Number of commitments accepted and number of commitments with a negative response.
YEAR IMPLEMENTED	2013
ACTION	Enhance the communication of relevant aspects of our sustainability activities.
DESCRIPTION	We will develop and execute a communications plan aimed at the company's various stakeholders.
INDICATOR	<ul style="list-style-type: none"> - Plan developed. - Number of the plan's actions carried out.
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.

