

Sustainability
Plan
2015

Venezuela



Contents

Disclaimer	2
Corporate Responsibility Vision and preparation of this Plan	3
Stakeholders' expectations and the corresponding actions of the Plan	6
● Program 1: Governance	6
● Program 2: Human Rights	8
● Program 3: Labor practices	12
● Program 4: Safety	16
● Program 5: The Environment	21
● Program 6: Fair operating practices: Anti – Corruption and Ethics	24
● Program 7: Fair operating practices: Value chain	26
● Program 8: Community involvement and development	31
Process of updating the Plan	36
Actions Index	37

Disclaimer

The 2015 Sustainability Plan for Venezuela includes a set of actions designed by the Company and aimed at contributing to sustainable development. Repsol undertakes to fully implement those actions specified in the Sustainability Plan that are required by law, reserving the right to modify, postpone or cancel the rest of the voluntary actions, which does not imply the assumption of any liability whatsoever by Repsol.

© REPSOL, S.A. 2015. All rights reserved. This document is the exclusive property of Repsol, S.A. and its total or partial unauthorized reproduction is totally prohibited and is protected under current legislation. Offenders shall be prosecuted in accordance with the law, both in Spain and other countries. Visualization, reproduction and copying of the document is permitted exclusively for purposes of dissemination and provided the ownership of the document is always indicated; it may only be used for other purposes or altered with the express and written authorization of REPSOL, S.A.

Corporate Responsibility

Vision and preparation of this Plan

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

At Repsol we understand Corporate Responsibility to be the contribution made by large companies to sustainable development. We consider that the essence of Corporate Responsibility is the incorporation of environmental and social aspects into the decision-making processes of organizations.

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

Additionally, we aspire to contribute to this sustainable development through our vision of Corporate Responsibility, the responsibility we voluntarily assume. This goes beyond the legal requirements regarding the impact that our activities may have on society and the environment. We thus respond to our stakeholders' expectations regarding our activities by implementing practices that maximize positive impacts and prevent, mitigate, repair or offset negative ones.

We have identified the expectations that our stakeholders have on issues related to governance, respect for Human Rights, labor practices, environmental impacts and 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.

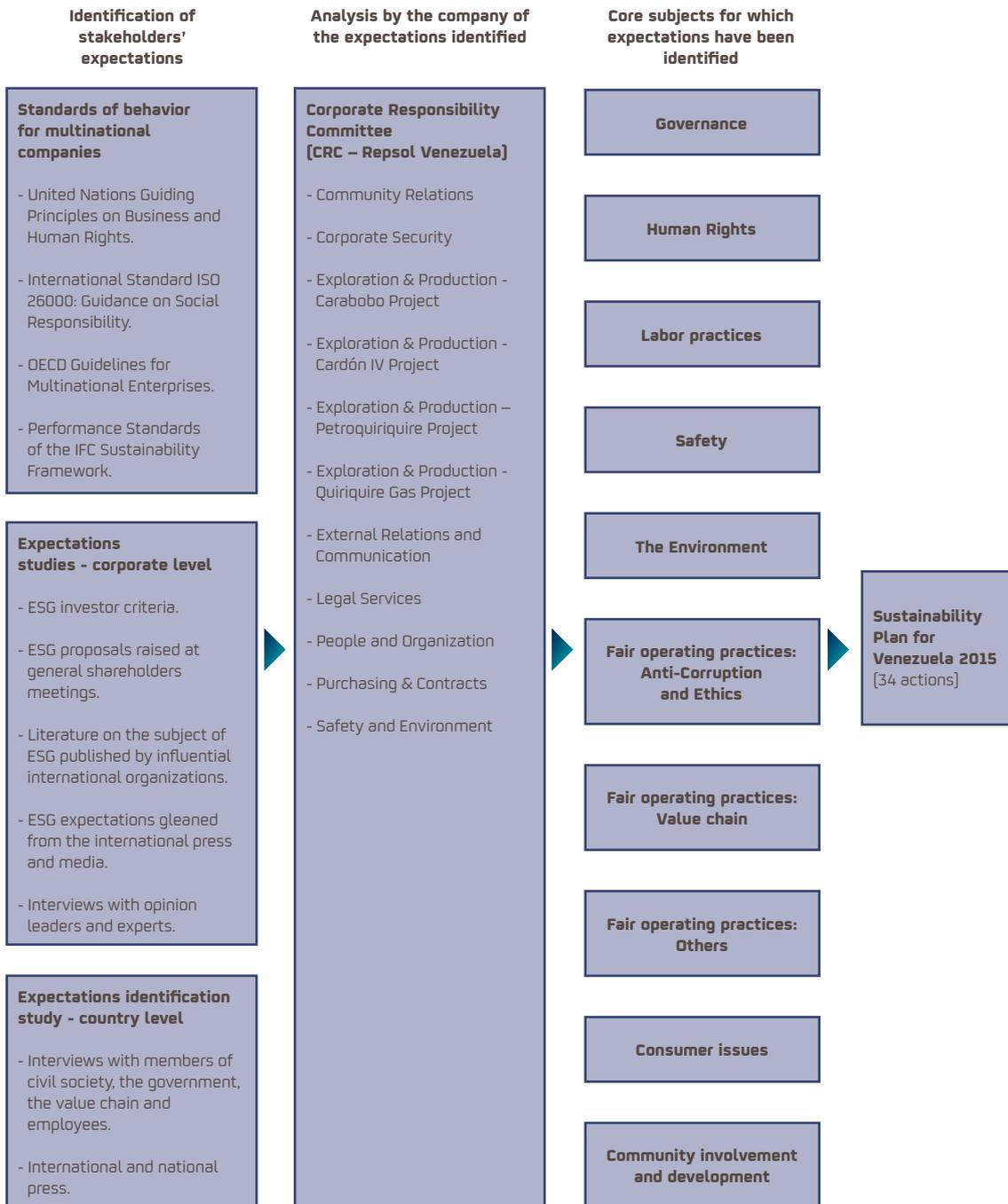
The identification of these expectations at a global level has been carried out through an analysis of four international standards that currently make up the broadest international consensus on acceptable behavior for a multinational company.

In addition, we have developed an *expectations study*, or relevant issues study, for the company's corporate-level stakeholders, both at corporate and country-level. The studies focus on aspects concerning the way the company is managed and also on environmental, social and governance [ESG].

After an analysis and consolidation process, the results were studied by the Corporate Responsibility Committee of Venezuela, presided by the Director of the Repsol Business Unit in Venezuela, which is made up of executive-level representatives of the different business and corporate units in the country.

This exercise has enabled us to formally and systematically introduce the expectations of Repsol's stakeholders in the Company's decision-making processes, which is essential to Corporate Responsibility.

-INTRODUCTION OF STAKEHOLDERS' EXPECTATIONS INTO THE COMPANY'S DECISION-MAKING PROCESSES-



The result of this analysis is the current Sustainability Plan 2015, which is a public document, the degree of compliance of which will be assessed annually and reported to the company through an annual follow-up report.

This Plan consists of 34 specific short-term actions (2015) with its corresponding implementation indicators, grouped in eight of the ten programs described in the above table, inspired in the core areas of corporate responsibility described in the ISO 26000 International Standard: Guidance on Social Responsibility. These are the areas in which companies have the greatest ability to generate ethical, environmental and social impact.

With respect to the programs, the largest number of actions has been concentrated in the Safety, Labor Practices, Community involvement and development, and Fair Operating practices: Value chain programs:

-DISTRIBUTION OF THE ACTIONS OF THE VENEZUELA 2015 SUSTAINABILITY PLAN BY ACTION PROGRAMS-

Program	Number of actions
Governance	1
Human Rights	5
Labor practices	6
Safety	6
The Environment	2
Fair operating practices: Anti-Corruption and Ethics	2
Fair operating practices: Value chain	6
Community involvement and development	6

The 2015 Sustainability Plan for Repsol Venezuela 2015 is not the Repsol Group's only contribution to sustainable development, but is complemented with the actions considered in the Corporate Sustainability Plan and those confined to certain countries or operating sites included in our respective sustainability plans.

70.6% of the actions included in this Plan are linked to the variable remuneration system applied to Repsol's employees, which constitutes the Company's unequivocal commitment to the effective maximization of its contribution to sustainable development.

Stakeholders' expectations and the corresponding actions of the Plan

Program 1

Governance

Organizational 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.

It addresses issues related to the highest governing body of the Company; the efficient use of financial, human and natural resources; transparency and accountability; the legal and internal compliance rules of the company, all with the maximum involvement and commitment of the leaders of the organization.

In order to fulfill its stakeholders' Governance-related expectations, the Repsol Group has specific management systems in place, which can be consulted on its corporate website: **repsol.com**

Furthermore, the company has added one action to this Sustainability Plan with which it aims to reinforce its response to the main expectations, as indicated below.

-ACTION INCLUDED IN THE GOVERNANCE PROGRAM AND A SUMMARY OF THE PRINCIPAL EXPECTATIONS THAT CONTRIBUTE TO RESPONDING TO THEM-

GOVERNANCE PROGRAM

Expectation:

For the senior management to communicate transparently and accurately on the company's performance..

Expectation:

Inform stakeholders in due time and through proper channels of the commercial agreements reached by the company.

Expectation:

Transparently disseminate information on the company's performance.

Actions included in the program:

1. Set up proactive and transparent relations with the press and media through an annual plan to ensure action is taken to further improve the company's relations with the local, national and on-the-scene press and media within the country.

Specific information on the action included in the Governance program of the current Plan is included in the table below.

ACTION	Set up proactive and transparent relations with the press and media through an annual plan to ensure action is taken to further improve the company's relations with the local, national and on-the-scene press and media within the country.
DESCRIPTION	We will tighten access to company information by the country's media and provide financial support by purchasing press inserts for newspapers and magazines.
INDICATOR	<ul style="list-style-type: none"> - Updated media mapping. - Annual Resource Plan document. - Timeline for press articles and inserts. - Media relations activities.

Program 2

Human Rights

States and companies play different roles in the common effort in favor 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.

The program envisions a host of actions geared towards internal training, internal and external awareness and regulatory compliance on the subject of Human Rights, ensuring due diligence is taken at all times and directing efforts to avoid any impact on Human Rights, respecting the rights of indigenous people and any other vulnerable group, addressing claims and complaints and repairing any possible impact.

In order to fulfill the expectations of its stakeholders in relation to Human Rights, the Repsol Group has specific management systems in place, which can be consulted on the Company's website repsol.com

Said systems are reinforced by five actions included in this Sustainability Plan for Repsol Venezuela, which are aimed at fulfilling the expectations of the Company's stakeholders in relation to Human Rights.

-ACTIONS INCLUDED IN THE HUMAN RIGHTS PROGRAM AND A SUMMARY OF THE PRINCIPAL EXPECTATIONS THAT THEY RESPOND TO-

HUMAN RIGHTS PROGRAM

Expectation:

Consider providing education in Human Rights and raising awareness of the issue.

Expectation:

Minimize the risks associated with hiring mobilized government security personnel to provide site security services, while ensuring that they honor and observe relevant international standards.

Expectation:

Alignment of the Voluntary Principles on Security and Human Rights and the Guiding Principles on Business and Human Rights. Companies do not report on key information that shows whether these systems actually work or not; on what issues the company has had or is having to deal with, and how they are addressing them.

Expectation:

Ensure the best labor conditions in matters such as health and safety of employees located in areas of conflict.

Actions included in the program:

1. Deliver Human Rights training to Repsol employees in Venezuela.
2. Foster the application of the Voluntary Principles on Security and Human Rights at the company Quiriquire Gas by training permanent security staff.
3. Implement the physical security plan and encouraging our partners to exercise due diligence so as to identify, prevent and mitigate any real or potential impact that could arise in respect of Human Rights.
4. Push for the National Police of Monagas State to embrace the Voluntary Principles on Security and Human Rights by training its police officers.
5. Improve the security of company employees by monitoring and tracking physical risks stemming from the existing social conflict within the country.

Specific information on each of the actions included in the Human Rights program of the current Plan is included in the tables below, arranged alphabetically by issue:

Culture and Management

ACTION	Deliver Human Rights training to Repsol employees in Venezuela.
DESCRIPTION	We will ensure that all employees working at Repsol's business unit in Venezuela complete the online course in Human Rights.
INDICATOR	Percentage of individuals that completed the training.

Conflict and post-conflict countries

ACTION	Improve the security of company employees by monitoring and tracking physical risks stemming from the existing social conflict within the country.
DESCRIPTION	We will prepare reports on the state of the country to determine whether levels of conflict within the country are rising with a view to adopting the necessary security measures to protect personnel.
INDICATOR	<ul style="list-style-type: none"> - Reports prepared. - Security actions to be rolled out based on existing levels of risk.

Security forces

ACTION	Foster the application of the Voluntary Principles on Security and Human Rights at the company Quiriquire Gas by training permanent corporate security employees assigned to the facility.
--------	---

DESCRIPTION	We intend to devise an annual training program for security personnel to address issues relating to the Voluntary Principles on Security and Human Rights (VPSHR).
-------------	--

INDICATOR	<ul style="list-style-type: none"> - Program prepared. - List and number of courses given. - Percentage of security personnel trained.
-----------	---

ACTION	Implement the physical security plan and encouraging our partners to exercise due diligence so as to identify, prevent and mitigate any real or potential impact that could arise in respect of Human Rights.
--------	--

DESCRIPTION	We will implement the physical security plan within the operations divisions. The plan was approved by the Board of the public-private enterprise Petrocarabobo on September 5, 2014.
-------------	---

INDICATOR	Month. Implement the plan in the third quarter of 2015.
-----------	---

ACTION	Push for the National Police of Monagas State to embrace the Voluntary Principles on Security and Human Rights by training its police officers.
DESCRIPTION	We will prepare training material and talks for national police officers working in areas close to the Quiriquire Gas facility, tackling issues that concern the Voluntary Principles on Security and Human Rights.
INDICATOR	<ul style="list-style-type: none"> - Training program prepared. - Enrolment completed and support material provided.

Program 3

Labor practices

The term labor practices encompass all policies and practices related to the work performed within, by or on behalf of the company, such as the working hours, 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.

Labor practices also include representation and participation in collective bargaining, social dialog and tripartite consultations to address social issues related to employment.

In order to fulfill the expectations of its stakeholders in relation to labor practices, the Repsol Group has specific management systems in place, which can be consulted on the corporate website repsol.com

Said systems are reinforced by the six individual actions that Repsol Venezuela has included in the context of this Plan. These are aimed at responding to the principal expectations of the company's stakeholders, as indicated below.

-ACTIONS INCLUDED IN THE LABOR PRACTICES PROGRAM AND A SUMMARY OF THE PRINCIPAL EXPECTATIONS THAT CONTRIBUTE TO RESPONDING TO THEM-

LABOR PRACTICES PROGRAM	
<p>Expectation: Implement a formal policy of non-discrimination and equal opportunities for employment.</p>	<p>Expectation: They must develop, have and promote talent since the country suffered a major exodus of people with talent.</p>
<p>Expectation: Have suitable resources in place to ensure the well-being and health of employees.</p>	<p>Expectation: Provide training so as to improve the qualifications of local workers.</p>
<p>Expectation: A key aspect here is the company's policy of hiring differently abled people, with at least 5% of disabled people to be integrated into the workforce. These actions are a new initiative in Venezuela and help encourage the inclusion of disabled people within the company. The idea is for these actions to continue developing over time to improve hugely on the current situation.</p>	
<p>Actions included in the program:</p> <ol style="list-style-type: none"> 1. Continue to foster the recruitment of differently abled people at Repsol's Venezuela business unit. 2. Prepare and implement development plans for Repsol employees in Venezuela. 3. Roll out projects to benefit Quiriquire Gas employees and family members through training initiatives and activities that champion healthy leisure pursuits and help prevent addictive behavior. 4. Prepare a communication plan to report progress in relation to the Sustainability Plan. 5. Improve work-life balance at the Venezuela BU. 6. Promote healthy activities for Repsol collaborators. 	

Specific information on each of the actions included in the Labor Practices Program of the current Plan is included in the tables below, arranged alphabetically by issue:

Company-employee dialogue

ACTION	Prepare a communication plan to report progress in relation to the Sustainability Plan.
DESCRIPTION	We intend to design and implement a Communication Plan so as to keep BU Venezuela personnel up to date in relation to the progress made and the success in implementing the Sustainability Plan.
INDICATOR	Number of communications issued and communication frequency.

Culture, development and management

ACTION	Prepare and implement development plans for Repsol employees in Venezuela.
DESCRIPTION	We intend to prepare and implement, in partnership with the corresponding supervisory line, training and personal development programs tailored to the collaborator's professional profile and business needs.
INDICATOR	<ul style="list-style-type: none"> - Percentage of compliance: training events held vs. training planned (Training Plan). - Percentage of compliance: Mobility plans (local/international) vs. staff planning and employees.

Employee health

ACTION	Roll out projects that benefit Quiriquire Gas employees and family members through training initiatives and activities that champion healthy leisure pursuits and help prevent addictive behavior.
---------------	---

DESCRIPTION	We intend to roll out projects aimed at employees and their family members within the context of Quiriquire Gas's ongoing support for the National Antidrug Office and the National Sports Fund, the ultimate aim being to improve prevention and social well-being.
--------------------	--

INDICATOR	<ul style="list-style-type: none"> - Project prepared. - Project executed. - Number of training activities and/or recreational activities given. - Number of workers involved. - Number of family members involved.
------------------	--

ACTION	Promote healthy activities for Repsol collaborators.
---------------	---

DESCRIPTION	We will design and implement a plan to promote a healthy lifestyle among the collaborators of the Venezuela Business Unit.
--------------------	--

INDICATOR	Number of activities carried out.
------------------	-----------------------------------

Promotion of Diversity and Balance

ACTION	Continue to foster the recruitment of differently abled people at Repsol's Venezuela business unit.
DESCRIPTION	We will work on practices to ensure the labor market insertion of differently abled people.
INDICATOR	Percentage of differently abled people hired vs. active workforce.

Working conditions

ACTION	Improve work-life balance at the Venezuela Business Unit.
DESCRIPTION	We will promote and provide a healthy balance between the work and personal lives of our collaborators.
INDICATOR	Number of work-life balance measures implemented.

Program 4

Safety

Safety is a critical concern in industrial operations, meaning prevention, control and maintenance are of huge importance to the business, as is the need to champion a specific culture and conduct aimed towards safety.

The program seeks to prevent and mitigate safety risks and to ensure that emergencies are controlled and managed accordingly; that incidents are reported and investigated and lessons duly learned; and that applicable law and safety management systems are properly adhered to.

It also envisages a safety-oriented culture and conduct promoted through leadership, training, communication and awareness; incorporating safety-related concerns into our commercial relationships, such as due diligence, rating processes for partners, audits and controls, safety training, and communication and awareness campaigns aimed at our commercial partners.

In order to fulfill the expectations of its stakeholders in relation to safety, the Repsol Group has specific management systems in place, which can be consulted on the corporate website **repsol.com**

Said systems are reinforced by the six individual actions that Repsol Venezuela has included in the context of this Plan. These are aimed at responding to the principal expectations of the company's stakeholders, as indicated below.

-ACTIONS INCLUDED IN THE SAFETY PROGRAM AND A SUMMARY OF THE PRINCIPAL EXPECTATIONS THAT CONTRIBUTE TO RESPONDING TO THEM-

SAFETY PROGRAM	
<p>Expectation: Train workers in occupational health and safety.</p>	<p>Expectation: Safety measures could be rolled out to stress the importance of best practices for safety-related matters through Repsol initiatives and actions.</p>
<p>Expectation: Encourage investment in the safety of the facilities and of the projects in which the company is involved.</p>	<p>Expectation: Develop protocols to provide a rapid response to any accidents or incidents that may arise.</p>
<p>Expectation: Work in close coordination with the local authorities whenever an emergency arises at the facilities.</p>	<p>Expectation: Implement systems aimed at prevention, preparation and response in emergency situations.</p>
<p>Expectation: Have the necessary resources and services to improve employee safety.</p>	<p>Expectation: Work toward implementing procedures and regulations that maximize the labor safety of employees at the company's facilities and operations.</p>

Actions included in the program:

1. Carry out preventive and corrective maintenance to improve detection, alarm, cooling and fire extinguishing systems at two facilities of the public-private enterprise Petroquiriquire S.A.
2. Promote a culture of safety, environmental protection and health among the employees of Repsol Venezuela and its subsidiary companies.
3. Mitigate risks that might affect the safety and occupational health of Quiriquire Gas employees and the local environment by reconditioning active wells.
4. Promote a health, safety and environment-oriented culture at the public-private enterprise Petrocarabobo, leading to significant improvements in accident rate indicators for drilling operations.
5. Carry out training initiatives to raise employee awareness of how the fire prevention systems work at the public-private company Petroquiriquire S.A.
6. Partner up and stage workshops on simultaneous operations (SIMOPS) with a view to improving the safety of platform installation work, drilling operations, and commissioning and start-up operations.

Specific information on each of the actions included in the Safety Program of the current Plan is included in the tables below arranged alphabetically by issue:

Culture and Management

ACTION	Promote a culture of safety, environmental protection and health among the employees of Repsol Venezuela and its subsidiary companies.
DESCRIPTION	We will continue to provide training in safety and environmental principles to personnel working at the company's headquarters and at Quiriquire Gas, together with Repsol employees assigned to non-operated assets and the administrative offices in Caracas, Maturín and Maracaibo, and also the employees of investee companies (public-private enterprises and non-operated gas licensees).
INDICATOR	<ul style="list-style-type: none"> - Number of own employees trained in safety and environmental principles. - Number of employees of non-operated companies trained in safety and environmental principles.

ACTION	Promote an HSE culture at the public-private enterprise Petrocarabobo, with significant improvements in accident rate indicators for drilling operations.
DESCRIPTION	We intend to ensure direct HSE oversight across drilling operations and services. We will implement prevention plans to strengthen safety at drilling operations. We also intend to set up a stop system to analyze incidents. We will pay at least two management visits a year to view the operations.
INDICATOR	Number of stop cards.

Risks Management

ACTION	Carry out preventive and corrective maintenance to improve detection, alarm, cooling and fire extinguishing systems at two facilities of the public-private enterprise Petroquiriquire S.A.
DESCRIPTION	Our actions will follow the industrial safety measures envisaged in domestic law and PDVSA regulations. The activities to be carried out will involve checking the level switches and pressure gauges in the storage tank, along with the jockey and diesel pumps, the monitors, hydrants, sprinklers, deluge valves, hoses and control panels. The process will also include operating tests for manual and automatic valves, discharge heads, detection and alarm systems and foam extinguishing systems. The aim of the work is to correct any problems detected and ensure the systems are fit for service.
INDICATOR	<ul style="list-style-type: none"> - Number of preventive and corrective maintenance actions. - Number of preventive and corrective maintenance actions carried out vs. number of preventive and corrective maintenance actions planned for 2015.

ACTION	Mitigate risks that might affect the safety and occupational health of Quiriquire Gas employees and the local environment by reconditioning active wells.
DESCRIPTION	We will execute the work to ensure the ongoing integrity of the assets by replacing production pipes, thus lowering the chance of safety-related and occupational health and environmental risks materializing.
INDICATOR	Number of wells reconditioned.
ACTION	Partner up to stage workshops on simultaneous operations (SIMOPS) with a view to improving the safety and security of platform installation work, drilling operations, and commissioning and start-up operations.
DESCRIPTION	We will stage a workshop in 2014 to identify the simultaneous operations to be carried out in 2015 involving platform installation. This will require coordination when carrying out the work to guarantee safety operations for both employees and the environment. Representatives of the company's main drilling and platform installation partners and contractors will attend these meetings, as will managers of HSE, Production Operations and Drilling Operations, so as to ensure that they take on board the required operating criteria.
INDICATOR	Two workshops to be held and a final report to be prepared.

ACTION	Carry out training initiatives to raise employee awareness of how the fire prevention systems work at the public-private company Petroquiriquire S.A.
DESCRIPTION	We will roll out training initiatives in the form of talks, workshops and drills for operational personnel so as to ensure that they are fully familiar with the fire prevention systems and associated control panels at the public-private company Petroquiriquire S.A. These programs will also help raise awareness among employees of the importance of these systems for their own personal safety and of the facilities and neighboring communities.
INDICATOR	Training activities carried out.

Program 5

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 characterized by the performance of extractive or industrial activities in large installations. Therefore, it is necessary that companies identify options that enable them to prevent these impacts, minimize them when unavoidable and correct them.

These options include preventing and mitigating environmental risks and impacts through suitable control mechanisms, proper emergency management, operational efficiency, suitable management of water resources and waste, efficient use of materials, regulatory compliance and environmental management systems.

The program also addresses climate change, environmental and biodiversity protection, and the need to champion an environment-oriented culture and conduct through leadership, training, environmental communication and awareness, ensuring due diligence in our commercial relationships, including partner rating processes, audits and controls, training on the subject of environmental protection, and environmental communication and awareness campaigns, among others.

In order to respond to stakeholders' expectations on the Environment, the Repsol group has specific management systems which can be consulted on the corporate website **repsol.com**

Additionally, Repsol Venezuela has included two actions in the Plan to respond to some these expectations.

-ACTIONS INCLUDED IN THE ENVIRONMENT PROGRAM AND A SUMMARY OF THE PRINCIPAL EXPECTATIONS THAT THEY RESPOND TO-

ENVIRONMENTAL PROGRAM

<p>Expectation: Reduce the volume of waste generated by recovering and reusing materials in a manner that is safe for human health and the environment.</p>	<p>Expectation: Implement systems capable of conducting exhaustive analyses of the environmental impacts of the company's business activities.</p>
<p>Expectation: Treat, destroy, or eliminate, in any environmentally-friendly way, any waste material that cannot be recovered or reused, ensuring that when disposal of the hazardous waste is entrusted to third parties, only legitimate and well-respected firms authorized by the public regulatory bodies take part in the process.</p>	
<p>Actions included in the program:</p> <ol style="list-style-type: none"> 1. Implement a program to manage hazardous waste (used batteries) at Repsol offices in Venezuela. 2. Improve environmental risk management in operational activities. 	

Specific information on each of the actions included in the Environment program of the current Plan is included in the tables below, arranged alphabetically:

ACTION	Implement a program to manage hazardous waste (used batteries) at Repsol offices in Venezuela.
DESCRIPTION	We intend to implement a hazardous waste management scheme at the company's administrative offices whereby hazardous waste (essentially batteries) will be handed over to an authorized handler and disposed of safely.
INDICATOR	Kilograms of batteries sent for final disposal.

ACTION	Improve environmental risk management in operational activities.
DESCRIPTION	We will implement a program to install dumping measurement tools at the QE-2 treatment plants and gauges to measure the fresh water extracted from deep wells.
INDICATOR	Mechanisms installed.

Program 6

Fair operating practices: Anti – Corruption and Ethics

Fair operating practices refer to the way in which organizations 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, implementing the necessary policies and practices. They must ensure that their leaders show commitment, motivation and proper supervision when implementing anti-corruption policies, training their employees on how to eradicate bribery and corruption, and offering incentives for any progress made in this regard, encouraging employees, partners and suppliers to report infringements of the company's policies, notifying the authorities of any criminal offences committed and attempting to ensure that the company's partners adopt similar practices.

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

Additionally, as part of the Sustainability Plan for Repsol Venezuela, the Company has included another two actions in this subject to respond to some of the expectations mentioned, as indicated below.

-ACTIONS INCLUDED IN THE FAIR OPERATING PRACTICES: ANTI – CORRUPTION AND ETHICS PROGRAM AND A SUMMARY OF THE PRINCIPAL EXPECTATIONS THAT CONTRIBUTE TO RESPONDING TO THEM-

FAIR OPERATING PRACTICES PROGRAM: ANTI-CORRUPTION AND ETHICS

Expectation:

Develop a comprehensive program for fighting corruption, which is to be fully implemented with periodic monitoring.

Actions included in the program:

1. Present the new Rules on Purchasing and Contracting to the functional units of Repsol Venezuela and Quiquire Gas.
2. Continue to develop mechanisms to help prevent, identify and report cases of bribery at the non-operated Cardón IV subsidiary.

Specific information on each of the actions included in the Fair Operating Practices: Anti – Corruption and Ethics program of this plan is included in the tables below arranged alphabetically:

ACTION	Continue to develop mechanisms to help prevent, identify and report cases of bribery at the non-operated Cardón IV subsidiary.
DESCRIPTION	We will stage workshops every six months with our partners at Cardón IV to remind employees and suppliers of the mechanisms in place at Cardón IV to detect and report cases of bribery.
INDICATOR	Two update meetings.
ACTION	Present the new Rules on Purchasing and Contracting to the functional units of Repsol Venezuela and Quiriquire Gas.
DESCRIPTION	We will take the necessary action to disseminate and raise awareness at Repsol and Quiriquire Gas of the new Rules on Purchasing and Contracting.
INDICATOR	Number of presentations.

Program 7

Fair operating practices: Value chain

Fair operating practices refer to how companies conduct their business with other parties, including partners, suppliers, contractors, clients, competitors, associations to which they belong, and government agencies and departments. They are essentially a measure of how ethical a company is in its business with other companies.

The company must attempt to ensure that these relationships are fair, integrating ethical, social and environmental concerns into its purchasing, distribution and recruitment policies; properly monitoring companies with which it has dealings, providing possible support to small and medium-sized enterprises to reach socially responsible objectives, and having proper procurement practices, fair prices, suitable delivery timeframes and stable contracts.

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

Additionally, as part of the Sustainability Plan for Repsol Venezuela, the Company has included another six actions in this subject to respond to some of the expectations mentioned, as indicated below.

-ACTIONS INCLUDED IN THE FAIR OPERATING PRACTICES: VALUE CHAIN PROGRAM AND A SUMMARY OF THE PRINCIPAL EXPECTATIONS THAT CONTRIBUTE TO RESPONDING TO THEM-

FAIR OPERATING PRACTICES PROGRAM: VALUE CHAIN

<p>Expectation: Promote ethical attitudes and transparency among the company's suppliers and contractors.</p>	<p>Expectation: Collaborate with suppliers and contractors in optimizing project planning and development.</p>
<p>Expectation: Maintain ongoing fluid and transparent relations with the company's partners.</p>	<p>Expectation: Collaborate with partners in improving the development of operations and projects.</p>
<p>Expectation: Exercise due diligence and monitor and track companies with which Repsol does business so as to ensure that the company's CSR commitments are not adversely affected.</p>	<p>Expectation: For those operations at which Repsol is not an operator, the aim is to influence PDVSA operators in relation to Repsol's corporate rules and policies and how these can help them. However, if the operator remains uncommitted to developing the rules and policies jointly, there is likely to be a commitment problem with that operator.</p>

Actions included in the program:

1. Continue to help raise the social and environmental standards of Repsol suppliers and contractors in Venezuela.
2. Be transparent in our relations with Repsol suppliers and contractors in Venezuela.
3. Generate a procedure for communicating alerts from Cardón IV to other Repsol subsidiaries and to their partners in the project, ENI and Repsol.
4. Push to ensure that Cardón IV, S.A. incorporates ethics and Human Rights into its standard form contracts for acquiring goods and services, in line with Repsol's corporate responsibility principles.
5. Hold events to raise awareness among all Repsol subsidiaries in Venezuela of HSE accidents and incidents to have occurred at Cardón IV, focusing on the lessons learned.
6. Recommend the need to set up formal and ongoing dialogue with the communities affected by the joint operations undertaken with our operating partners in the public-private company Petrocarabobo.

Specific information on each of the actions included in the Fair Operating Practices: Value Chain program of this plan is included in the tables below, arranged alphabetically by issue:

Partners

ACTION	Generate a procedure for communicating alerts from Cardón IV to other Repsol subsidiaries and to their partners in the project, ENI and Repsol.
DESCRIPTION	We will devise a system for communicating alerts, accidents, and close calls.
INDICATOR	Alert systems. Delivering alert systems [one week after high-impact accidents have occurred].

ACTION	<p>Push to ensure that Cardón IV, S.A. incorporates ethics and Human Rights into its standard form contracts for acquiring goods and services, in line with Repsol's Corporate Responsibility principles.</p>
DESCRIPTION	<p>We will set up a working group with ENI and Cardón IV, S.A. to come up with a clause that incorporates ethics and Human Rights into the contracts. Cardón IV, S.A. will then enshrine the clause in the General Contracting Conditions and in its standard contracts for acquiring goods and assets from contractors. The group will work on a clause that we at Repsol's Legal Services have drawn up for all our contracts following discussions with Repsol's Legal Services for Latin America.</p>
INDICATOR	<p>Action plan presented to the Business Unit's management team.</p>
ACTION	<p>Hold events to raise awareness among all Repsol subsidiaries in Venezuela of HSE accidents and incidents to have occurred at Cardón IV, focusing on the lessons learned.</p>
DESCRIPTION	<p>We will propose to Cardón IV that working groups be set up with HSE managers at our investee companies (Petroquiriquire, Quiriquire Gas, Yucal Placer and Petrocarabobo), and with the operations and project managers.</p>
INDICATOR	<p>Quarterly meetings. Quarterly meetings to be held during the month following the end of each calendar quarter.</p>

ACTION	Recommend the need to set up formal and ongoing dialogue with the communities affected by the joint operations undertaken with our operating partners in the public-private company Petrocarabobo.
DESCRIPTION	<p>We and the Sustainable Development Department of the operating company will jointly address the following aspects:</p> <ul style="list-style-type: none"> - Studies to identify the communities present within the development zone. - The needs of the communities that could be covered with actions undertaken by work contractors within the public-private company. - Potential assistance for nearby communities in accordance with the plans of the public-private company. We will also encourage dialogue with the communities with a view to establishing specific plans to tackle pressing issues included in the public-private company's sustainable development plan. We will likewise continue to lend our support in overseeing the preparation of the government's Housing Mission (<i>Misión Vivienda</i>) plans.
INDICATOR	Monthly reports from the public-private company's Sustainable Development Department.

Suppliers and contractors

ACTION	Continue to help raise the social and environmental standards of Repsol suppliers and contractors in Venezuela.
DESCRIPTION	<p>We will prepare and disseminate the ethics and conduct expected of suppliers and contractors. We will analyze and/or review the General Purchasing and Contracting Conditions and, if necessary, request that changes be made to include the required ethics and conduct.</p>
INDICATOR	<ul style="list-style-type: none"> - Publish the Code of Ethics and Conduct. - Publish new General Purchasing Conditions. - Presentation at chambers of commerce and other associations.

ACTION	Be transparent in our relations with Repsol suppliers and contractors in Venezuela.
DESCRIPTION	We intend to conduct proper selection processes for our panel of suppliers, acting fairly, impartially and objectively when awarding contracts. We will maintain communication and dialogue with suppliers and contractors to underscore/stress the importance of institutional values.
INDICATOR	<ul style="list-style-type: none">- Establish a panel of suppliers.- Market analysis.- Working meetings with the main suppliers of materials and/or services.

Program 8

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 organization's activities might generate.

Similarly, by actively involving and developing the local community the company can become an asset serving society and the community, although in this process the community frequently raises different, and sometimes opposing interests, which the company must weigh up together. Shared responsibility is needed to promote the community's well-being as a common goal. The company must liaise with the different groups representing the community to establish priorities for its social investment, with particular attention paid to vulnerable groups.

Companies can help boost local development by creating jobs, improving relations with public authorities, enhancing the capacities and opportunities of local suppliers, and rolling out cultural, healthcare, social and environmental initiatives and programs.

In order to meet the expectations of its stakeholders on the subject of community involvement and development, the Repsol group has specific management systems in place which can be consulted on the corporate website **repsol.com**

Additionally, this edition of the Sustainability Plan includes six actions in the area of Community involvement and development. These enable us to respond to the principal expectations of the company's stakeholders, as indicated below.

-ACTIONS INCLUDED IN THE COMMUNITY INVOLVEMENT AND DEVELOPMENT PROGRAM AND A SUMMARY OF THE PRINCIPAL EXPECTATIONS THAT CONTRIBUTE TO RESPONDING TO THEM-

COMMUNITY INVOLVEMENT AND DEVELOPMENT PROGRAM

Expectation:

Consider support for skills development programs throughout the community in partnership with other community members.

Expectation:

Collaborate with universities and academic organizations to improve employment opportunities for students.

Expectation:

Inform the company's stakeholders of the contribution that the company's existing and future activities might make to employment and the economy.

- Actions included in the program:**
1. Continue to support the economic and social development of the region by adapting production facilities to a medium pressure system for separating and processing gas (450 psig).
 2. Help to create local jobs by involving micro-enterprises, cooperatives and associations in social investment projects in areas lying close to our Quiriquire Gas site.
 3. Contribute towards the education and health of local communities in Quiriquire Gas' area of influence by improving school and healthcare infrastructure and incorporating state-of-the-art technology.
 4. Helping to develop the skills and expertise of new professionals in the oil and gas industry by signing agreements with local educational centers.
 5. Strengthen employment training within the region by developing a job certification program for local labor.
 6. Remain a leader when it comes to managing social investment projects at the company Cardón IV so as to ensure that they are rolled out smoothly and efficiently in terms of how they are executed, expectation versus reality and the impact on the community.

Specific information on each of the actions included in the Community involvement and development program of this plan is included in the tables below, arranged alphabetically by issue:

Local content

ACTION	Continue to support the economic and social development of the region by adapting production facilities to a medium pressure system for separating and processing gas (450 psig).
DESCRIPTION	We will carry out the necessary work to change the production facilities to a medium pressure set-up with the aim of extending the business' production profile, thus making the license holder more financially sustainable and boosting its contribution to the economic and social development of the region.
INDICATOR	Culmination of the project.

ACTION	Strengthen employment training within the region by developing a job certification program for local labor.
DESCRIPTION	We will set up initiatives aimed at training unqualified workers from the local communities by forging alliances with public bodies responsible for employment training within the region.
INDICATOR	<ul style="list-style-type: none"> - Number of agreements reached. - Number of training activities and information sessions held. - Number of people certified.

Social Investment

ACTION	Help to create local jobs by involving micro-enterprises, cooperatives and associations in social investment projects in areas lying close to our Quiriquire Gas site.
DESCRIPTION	We will guarantee that local organizations become involved in bidding and contracting processes for services, which are needed to roll out social investment plans within the communities.
INDICATOR	<ul style="list-style-type: none"> - Register of cooperatives, micro-enterprises and associations within the communities neighboring our operations. - Procedure to regulate the involvement of local organizations in carrying out work to improve community infrastructure. - Presentation and list of parties taking part in bidding processes. - Contracts for awarded projects. - Number of jobs created.

ACTION	<p>Contribute towards the education and health of local communities in Quiriquire Gas' area of influence by improving school and healthcare infrastructure and incorporating state-of-the-art technology.</p>
DESCRIPTION	<p>We will set up social investment projects to improve the healthcare and educational facilities of local communities, while also providing new technologies to stimulate learning and allow them to enjoy art and culture.</p>
INDICATOR	<ul style="list-style-type: none"> - Project prepared. - Contract awarding the work or service, or agreement signed. - Project executed. - Number of direct and indirect beneficiaries. - Training activities held.
ACTION	<p>Strengthen the development of new professionals of the oil and gas industry by signing agreements with local educational centers.</p>
DESCRIPTION	<p>We will enter into agreements with educational centers present in the region to provide grants and scholarships for engineering students nearing the end of their studies. We will arrange guided tours of Quiriquire Gas sites to help familiarize visitors with the principles related to the oil and gas industry.</p>
INDICATOR	<ul style="list-style-type: none"> - Number of students with grants and scholarships. - Number of guided tours of QQ Gas sites. - Number of talks or workshops given.

ACTION	Remain a leader when it comes to managing social investment projects at the company Cardón IV so as to ensure that they are rolled out smoothly and efficiently in terms of how they are executed, expectation versus reality and the impact on the community.
DESCRIPTION	We will ask Cardón IV to present a quarterly progress report at board meetings on how the social investment work envisaged in the annual planning is evolving. We will ask Cardón IV to prepare a quarterly communication on the administrative steps for implementing projects and the progress curves.
INDICATOR	<ul style="list-style-type: none"> - Progress curves for social investment projects. - Monthly and quarterly work progress reports. - Four presentations to the board.

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.

Actions Index

Disclaimer	2
Corporate Responsibility Vision and preparation of this Plan	3
Stakeholders' expectations and the corresponding actions of the Plan	6
Program 1: Governance	6
Set up proactive and transparent relations with the press and media through an annual plan to ensure action is taken to further improve the company's relations with the local, national and on-the-scene press and media within the country.	7
Program 2: Human Rights	8
Culture and Management	9
Deliver Human Rights training to Repsol employees in Venezuela.	9
Conflict and post-conflict countries	9
Improve the security of company employees by monitoring and tracking physical risks stemming from the existing social conflict within the country.	9
Security forces	10
Foster the application of the Voluntary Principles on Security and Human Rights at the company Quiriquire Gas by training permanent corporate security employees assigned to the facility.	10
Implement the physical security plan and encouraging our partners to exercise due diligence so as to identify, prevent and mitigate any real or potential impact that could arise in respect of Human Rights.	10
Push for the National Police of Monagas State to embrace the Voluntary Principles on Security and Human Rights by training its police officers.	11
Program 3: Labor practices	12
Company-employee dialogue	13
Prepare a communication plan to report progress in relation to the Sustainability Plan.	13
Culture, development and management	13
Prepare and implement development plans for Repsol employees in Venezuela.	13

Employee health	14
Roll out projects that benefit Quiriquire Gas employees and family members through training initiatives and activities that champion healthy leisure pursuits and help prevent addictive behavior.	14
Promote healthy activities for Repsol collaborators.	14
Promotion of Diversity and Balance	15
Continue to foster the recruitment of differently abled people at Repsol's Venezuela business unit.	15
Working conditions	15
Improve work-life balance at the Venezuela Business Unit.	15
Program 4: Safety	16
Culture and Management	17
Promote a culture of safety, environmental protection and health among the employees of Repsol Venezuela and its subsidiary companies.	17
Promote an HSE culture at the public-private enterprise Petrocarabobo, with significant improvements in accident rate indicators for drilling operations.	18
Risks Management	18
Carry out preventive and corrective maintenance to improve detection, alarm, cooling and fire extinguishing systems at two facilities of the public-private enterprise Petroquiriquire S.A.	18
Mitigate risks that might affect the safety and occupational health of Quiriquire Gas employees and the local environment by reconditioning active wells.	19
Partner up to stage workshops on simultaneous operations (SIMOPS) with a view to improving the safety and security of platform installation work, drilling operations, and commissioning and start-up operations.	19
Carry out training initiatives to raise employee awareness of how the fire prevention systems work at the public-private company Petroquiriquire S.A.	20
Program 5: The Environment	21
Implement a program to manage hazardous waste (used batteries) at Repsol offices in Venezuela	22
Improve environmental risk management in operational activities.	23

Program 6: Fair operating practices: Anti – Corruption and Ethics	24
Continue to develop mechanisms to help prevent, identify and report cases of bribery at the non-operated Cardón IV subsidiary.	25
Present the new Rules on Purchasing and Contracting to the functional units of Repsol Venezuela and Quiriquire Gas.	25
Program 7: Fair operating practices: Value chain	26
Partners	27
Generate a procedure for communicating alerts from Cardón IV to other Repsol subsidiaries and to their partners in the project, ENI and Repsol.	27
Push to ensure that Cardón IV, S.A. incorporates ethics and Human Rights into its standard form contracts for acquiring goods and services, in line with Repsol's Corporate Responsibility principles.	28
Hold events to raise awareness among all Repsol subsidiaries in Venezuela of HSE accidents and incidents to have occurred at Cardón IV, focusing on the lessons learned.	28
Recommend the need to set up formal and ongoing dialogue with the communities affected by the joint operations undertaken with our operating partners in the public-private company Petrocarabobo.	29
Suppliers and contractors	29
Continue to help raise the social and environmental standards of Repsol suppliers and contractors in Venezuela.	29
Be transparent in our relations with Repsol suppliers and contractors in Venezuela.	30

Program 8: Community involvement and development	31
Local content	32
Continue to support the economic and social development of the region by adapting production facilities to a medium pressure system for separating and processing gas (450 psig).	32
Strengthen employment training within the region by developing a job certification program for local labor.	33
Social Investment	33
Help to create local jobs by involving micro-enterprises, cooperatives and associations in social investment projects in areas lying close to our Quiriquire Gas site.	33
Contribute towards the education and health of local communities in Quiriquire Gas' area of influence by improving school and healthcare infrastructure and incorporating state-of-the-art technology.	34
Strengthen the development of new professionals of the oil and gas industry by signing agreements with local educational centers.	34
Remain a leader when it comes to managing social investment projects at the company Cardón IV so as to ensure that they are rolled out smoothly and efficiently in terms of how they are executed, expectation versus reality and the impact on the community.	35
Process of updating the Plan	36
Actions Index	37

