

Sustainability
Plan
2013/2014

Bolivia

2014 Year End Report



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Legal Notice

The Sustainability Plan for Bolivia 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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Year End Report on actions of the Sustainability Plan 2013-2014 for Repsol Bolivia on December 31th, 2014.

Program 1

Organisational Governance

ACTION	Be accountable for our ethical, social and environmental performance in Bolivia.
DESCRIPTION	We will develop and publish Repsol's 2012-2013 Corporate Responsibility Report for Bolivia that will respond to our stakeholders' expectations.
INDICATOR	Report published.
YEAR IMPLEMENTED	2013-2014
CLOSING TO THE ACTION AS OF 31/12/2014	
STATUS	Fulfilled.
CLOSING TEXT	2013 We have adapted the format of the Annual Report and it is now being prepared for printing. 2014 We have conducted the publication of the annual report in digital and print format.

ACTION	Communicate on our ethical, social and environmental performance in Bolivia.
DESCRIPTION	We will develop a comprehensive communication plan, in which the different audiences, the most appropriate channels and the media through which communications will be carried out will be identified.
INDICATOR	Plan presented to the Bolivian Corporate Responsibility Committee [CRC].
YEAR IMPLEMENTED	2013
CLOSING TO THE ACTION AS OF 31/12/2014	
STATUS	Fulfilled.
CLOSING TEXT	<p>We have identified, analyzed and evaluated the waste generated at LPG Ecuador.</p> <p>We have also defined the criteria and baseline for the waste reduction plan and have carried out and fully complied with the plan.</p> <p>Likewise, we have prepared a waste map identifying and selecting the most relevant waste, and defining the indicators and road map for reducing such waste, as a baseline for setting waste reduction targets over the 2014-2020 period.</p> <p>Lastly, we have identified two hazardous wastes considered relevant in view of the volume generated. We have included actions to reduce these two hazardous wastes in the 2014-2015 Plan.</p>

ACTION	Disseminate information in the Bolivian Business Unit on the updating of the Group's Ethics and Conduct Regulation, that establishes the general guidelines that must govern the conduct of Repsol and all of its employees.
DESCRIPTION	<ul style="list-style-type: none"> - We will disseminate the contents of the Regulation among all employees. - We will raise the awareness of employees of the need to incorporate in their daily activities, the guidelines for conduct included in the Regulation and Corporate Culture. - We will promote a change in attitudes and conduct among employees in order to align them with the new values and with the Corporate Culture.
INDICATOR	Development of communication plan and its execution.
YEAR IMPLEMENTED	2013-2014
CLOSING TO THE ACTION AS OF 31/12/2014	
STATUS	Fulfilled.
CLOSING TEXT	<p>2013</p> <p>We will carry out this action in collaboration with the Legal Services and People and Organisation departments during 2014.</p> <p>2014</p> <p>The Group's Ethics and Conduct Regulation was disseminated by Business Unit Management and has been posted on repsolnet (the internal web platform) for consultation by employees. This action was carried out in 2014 through collaboration between Legal Services and People and Organization (Human Resources).</p>

ACTION	Promote Corporate Responsibility among the employees of the Bolivian Business Unit.
DESCRIPTION	We will carry out a programme for the dissemination of information among employees on the company's standards and commitments regarding Corporate Responsibility issues.
INDICATOR	Number of employees trained.
YEAR IMPLEMENTED	2013-2014
CLOSING TO THE ACTION AS OF 31/12/2014	
STATUS	Fulfilled.
CLOSING TEXT	We have emailed all personnel, on 3 consecutive dates, with a message on the subject, attaching the Corporate Responsibility Norm in all cases. In 2013, we kept personnel informed via the internal communication mailbox on actions in this area, promoting awareness and participation.

Program 2

Human Rights

ACTION	Provide training on the voluntary principles on security and Human Rights, and on health and safety, and the Environment (HSE) to the security personnel contracted by Repsol Bolivia.
DESCRIPTION	<p>During the years 2013 and 2014 we will continue with the training of security personnel that was started in the year 2012, according to the training plan elaborated.</p> <p>In the year 2013, we will complete the training of all security guards working in our facilities in the city.</p> <p>In 2014, we will train the security personnel contracted in our production operations in the Mamore, Cambeiti and Monteagudo fields.</p>
INDICATOR	<ul style="list-style-type: none"> - Report on the results of the evaluation of the training. - Certificates given out for the training provided.
YEAR IMPLEMENTED	2013-2014
CLOSING TO THE ACTION AS OF 31/12/2014	
STATUS	Fulfilled.
CLOSING TEXT	On the following page.

2013

We carried out the agreed training from 5 October to 16 November 2013 for all security staff assigned to our in-town facilities, and attained the following objectives:

- Training security personnel on the subject of human rights, the rights of indigenous peoples; economic, social and cultural rights in relation to standards, principles and codes of conduct referring to the providers of security services.
- Providing education on the Voluntary Principles of security and HR.
- Providing basic training on Safety, Health and the Environment to all security agents.
- Basic first aid training.
- Completing their training with corporate security action standards and recommendations.
- Evaluating how much was learned by observing the skill level of participants.

At the end of the course, we presented certificates accrediting participation to all attendees.

CLOSING TEXT

A total of 21 people were trained, corresponding to all our in-town security guards and the hired surveillance company.

2014

We have further finalized the action with the following training sessions held in 2014:

- Since March, when the Bolivia Corporate Security Personnel Manual was updated, a monthly refresher course has been held on the Manual. In total, 10 sessions have been held.
- Two sessions dealt with national and international regulations governing private security personnel. With respect to international regulations, participants learned about the voluntary principles on security and human rights.
- Five sessions were held on safety and environmental procedures.
- One session was given by Community Relations personnel, regarding the Complaint Mechanism in Bolivia Business Unit Operations.

In 2015, a document back-up system (minutes) will be implemented for each session held, thereby facilitating the audit process.

Program 3

Labor practices

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

CLOSING TEXT

2013

The action was delayed, to begin implementation in 2014.

We have again presented the initiative to Business Unit Management, to obtain authorization and support in the execution.

2014

We have delayed the accomplishment of the action, to be implemented in 2015.

Bolivia Business Unit Management has considered that after completion of Phases I and II of the Margarita Project, we can re-launch the project, in line with the actual status of our activity in the country.

Program 4

The Environment

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

CLOSING TEXT

2013

At December 31, 2013 the project progress is 40%, and we have carried out the following actions.

- We have awarded the contract.
- We have held the introductory meeting.
- We approved the plan of work.
- We carried out the first campaign in the field in February 2014.
- Main activities planned: drafting technical reports, second campaign in the field, and issuance of a biodiversity baseline and action plan.

2014

At December 31, 2014 the project is 65% complete. In November 2014, we modified the project program, setting the conclusion date for the second half of May 2015.

We have carried out the following actions:

- Initial meeting.
- Approval of the work plan.
- Completion of the first field campaign in February 2014.
- Completion of the second field campaign in July 2014.
- At December 31, 2014, three of the 11 deliverables foreseen were issued.

At March 31, 2015, the remaining eight deliverables will be completed. Consequently, as per the modified program, the project will conclude on May 15, 2015, having met all the objectives set.

ACTION	Reduction of emissions in testing of the MGR-5 and MGR-6 wells.
DESCRIPTION	<p>Our strategy promotes initiatives that throughout the lifespan of our activities, reduce energy intensity and, thus, emissions of greenhouse gases (GHG).</p> <p>Before a well starts production it must be tested. In normal conditions these tests burn a significant amount of gas, involving an emission of greenhouse gases.</p> <p>We will introduce a Green Completion project in the Margarita 5 and Margarita 6 wells, consisting of the recovery of gas from the well testing phase, which would normally be burned.</p>
INDICATOR	External verification of the reduction of emissions.
YEAR IMPLEMENTED	2014
CLOSING TO THE ACTION AS OF 31/12/2014	
STATUS	Fulfilled.
CLOSING TEXT	<p>We carried out the project at the MGT-5 well in September and subsequently at the MGT-6 well in December. Around 300 million cubic feet of gas has been recovered, the equivalent of reducing CO2 emissions by 20,588 metric tons. This figure represents 35% of total emissions produced by the Margarita processing plant in 2012.</p> <p>An external expert verified the findings, based on ISO14064-Part 1 criteria.</p>

Program 5

Fair operating practices

ACTION	Implement mechanisms that evaluate and control internal corruption risks and those posed by our relations with third parties and the supply chain.
DESCRIPTION	We will develop a model of the clause for the implementation of anti-corruption principles, gathering together Repsol's internal regulations, and considering the policies of <i>Yacimientos Petrolíferos Fiscales Bolivianos</i> (YPFB), Bolivian legislation and the international standards concerning this issue.
INDICATOR	Development of the corresponding clause and its implementation in the contracts to be subscribed to by service providers.
YEAR IMPLEMENTED	2013 - 2014
CLOSING TO THE ACTION AS OF 31/12/2014	
STATUS	Fulfilled.
CLOSING TEXT	<p>2013</p> <p>We have drafted the clause and added it to the new contract form now in use in the Purchasing & Contracts area. We estimate that the new model will be implemented by midyear.</p> <p>2014</p> <p>We have prepared the clause and it has been incorporated into the new contract model being used in the Purchases and Contracts area, and approved by Business Unit Management, for the case of subsoil models. The action has been completed, with the understanding that this clause will be replicated in the versions of contract models currently being reviewed and approved.</p>

ACTION	Ensure our contractors' compliance with the labour obligations concerning their employees.
DESCRIPTION	<p>We will continue monitoring the compliance of contractors with labour obligations concerning their employees, in our operations in Bolivia.</p> <p>We will implement an in-house tool.</p>
INDICATOR	Number of suppliers analysed.
YEAR IMPLEMENTED	2013 - 2014
CLOSING TO THE ACTION AS OF 31/12/2014	
STATUS	Fulfilled.
CLOSING TEXT	On the following page.

CLOSING TEXT**2013**

- The People and Organisation department has carried out monitoring up to September 2013 under the present contract, which has been extended; the Control and Resources department is continuing with this initiative, with a member of staff dedicated to Contract Compliance. Since 2012 we have continued to develop the tool in-house, now under the responsibility of Control and Resources and IT, who are working using existing third-party software in Bolivia as a base, and including the improvements seen with UR Pacífico, where there is experience monitoring subcontractors.
- In October 2013 we introduced the role of Contract Compliance in the Bolivia business unit, as part of the pilot programme defined by the DGU: It is currently in an early phase of implementation, dealing with subjects relating to the assessment of requirements for subcontractors, procedures to be implemented, attending to situations and queries as they arise in relation to subcontractors, and so on. The intention is to work in close collaboration with the subcontractors in order to co-ordinate the initial authorisation of contracts, define procedures, etc.
- To 28 February 2014, approximately 300 current contracts were subject to monitoring.

2014

At December 31, 2014, the function has been fully implemented and contracts are being monitored as expressed. Meetings are held with contract holders and contractors in order to collaborate on the adequate contractual control. Contract audits are planned as an initiative for 2015.

ACTION	Analyse and promote the Corporate Responsibility practices of our suppliers and contractors in Bolivia.
DESCRIPTION	We will inquire into the existence and level of development of Corporate Responsibility policies and procedures among the contractors and suppliers of Repsol in Bolivia, with the aim of having the necessary information to permit the design of future actions with respect to this issue.
INDICATOR	Final report of the analysis.
YEAR IMPLEMENTED	2013 - 2014
FOLLOW UP TO THE ACTION AS OF 31/12/2014	
STATUS	Fulfilled.
CLOSING TEXT	<p>2013</p> <p>During 2014 we will continue to make progress with the support of the Purchases & Contracts Corporate Managing Division, which has contracts that assess the different situations of subcontracted companies according to a predefined role.</p> <p>2014</p> <p>Through ongoing dialogue with and evaluation of suppliers, we have detected that the small and average-size companies have initial Corporate Social Responsibility policies. In that regard, the goal is to close the present program so that, as part of a “Contractor event” to be carried out this year, we can learn first-hand about our contractors, in order to define whether or not studies of this nature should be carried out or, alternatively, whether other actions should be designed.</p>

ACTION	Promote Corporate Responsibility among the contractors of the Bolivian Business Unit.
DESCRIPTION	We will carry out a programme for the dissemination of the company's standards and commitments regarding Corporate Responsibility issues among its principal contractors.
INDICATOR	Number of contractors trained.
YEAR IMPLEMENTED	2013 - 2014
CLOSING TO THE ACTION AS OF 31/12/2014	
STATUS	In progress.
CLOSING TEXT	<p>Due to the recent creation of the Contract Compliance role in the Bolivia business unit, in September this year, we considered it preferable to move this action to 2014, with other subcontractor control actions defined for the area.</p> <p>We have attached the Ethics and Conduct Code for Suppliers to the new bidding processes, and we will send a mass mail to all suppliers.</p> <p>An event with subcontractors that will allow greater dissemination of corporate responsibility matters among the main subcontractors is still pending.</p>

ACTION	Promote the accomplishment of the Corporate Responsibility Plan of Yacimientos Petrolíferos Fiscales Bolivianos (YPFB) – Andina.
DESCRIPTION	We will monitor the execution of the Corporate Responsibility Plan with communities influenced by YPFB Andina.
INDICATOR	Monitoring report of the execution of the YPFB Andina Corporate Responsibility Plan.
YEAR IMPLEMENTED	2013 - 2014
CLOSING TO THE ACTION AS OF 31/12/2014	
STATUS	Fulfilled.
CLOSING TEXT	<p>2013</p> <p>We have requested and agreed with the chairman's office of YPFB Andina that during a Board Meeting in the first half of 2014, a report will be presented on the monitoring of their Corporate Responsibility Plan, which was approved by the Board.</p> <p>2014</p> <p>In connection with the request submitted to the Chairman of YPFB Andina, during the fourth Board of Directors meeting on February 27, 2014, we presented a follow-up report on YPFB Andina's 2012-2016 corporate social responsibility plan, approved in September 2012.</p>

ACTION	Hold dialogues with suppliers in order to agree on contracting models for the contracting of services.
DESCRIPTION	<p>We will revise the models of contracts that apply to the various groups of services that are regularly contracted and present them to the representative suppliers of these services, so that they are aware of them, so that they can resolve queries about the interpretation and application of the clauses and, mainly, so that they can make commentaries and observations; these being more important to ensure an adequate contractual relationship.</p> <p>We will analyse the observations and commentaries received and consider taking them into account in the final contractual models insofar as it corresponds.</p>
INDICATOR	<ul style="list-style-type: none"> - Number of discussion workshops held with suppliers. - Minutes taken in each workshop.
YEAR IMPLEMENTED	2013 - 2014
CLOSING TO THE ACTION AS OF 31/12/2014	
STATUS	In progress.
CLOSING TEXT	<p>2013</p> <p>We are continuing to define the basic contract form internally. Once complete, we will hold the workshops mentioned above, which we estimate will take place in the second half of 2014.</p> <p>2014</p> <p>As part of the HCY-2 and MGR-9 well drilling campaigns, we included the new well services contract model, the same model that we initially presented to potential suppliers at a workshop held with Repsol's Pacific Region in Lima. Subsequently, and as part of the tenders processes, we clarified certain doubts and questions suppliers submitted regarding the new contractual model, adjusting, in some cases, the contractual stipulations in order to reflect particular aspects of the services contracted.</p> <p>The same process will be followed for the next contractual models to be approved and implemented in the Bolivia Business Unit.</p>

Program 6

Community involvement and development

ACTION	Develop an awareness of transport safety among those people that travel in the area of the Margarita-Huacaya exploration project.
DESCRIPTION	We will implement a transport safety campaign, in the immediate surroundings of the Margarita – Huacaya exploration project, for drivers and/or pedestrians that travel in the area of the project.
INDICATOR	Campaign developed and implemented.
YEAR IMPLEMENTED	2013-2014
CLOSING TO THE ACTION AS OF 31/12/2014	
STATUS	Fulfilled.
CLOSING TEXT	<p>2013</p> <p>From October to November 2013, we held four training sessions in the Kumandaroty, Zapaterambia and Yuaiti communities and the town of Palos Blancos. These talks will continue in 2014, as the Project Margarita drilling campaign is underway.</p> <p>Similarly, we have used local radio to disseminate awareness-raising soundbites, and Traffic Police have conveyed the campaign content to drivers in the area.</p> <p>2014</p> <p>We have carried out training sessions in the communities. These sessions were held during the MGR-7 and MGR-8 well drilling campaign in 2014.</p> <p>Similarly, we have broadcast awareness-raising sound bites on local radio stations, while the traffic police have conveyed the campaign content to drivers in the area.</p>

ACTION	Collect first hand, the claims and suggestions formulated by communities and give them an adequate response.
DESCRIPTION	We will record and monitor all the claims and suggestions made by communities, the employees of the company, and contractors, applying the Claims Management procedure contained in the Community Relations Management System, reporting on the evolution of these indicators in the Corporate Responsibility Report.
INDICATOR	Number of claims registered/Number of claims closed.
YEAR IMPLEMENTED	2013 - 2014
CLOSING TO THE ACTION AS OF 31/12/2014	
STATUS	Fulfilled.
CLOSING TEXT	<p>2013</p> <p>We have registered 37 claims and settled 95% in an appropriate and timely manner.</p> <p>2014</p> <p>We have concluded the management of claims in 2014.</p> <p>We have registered 37 claims, resolving 100% of them in an appropriate and timely manner.</p> <p>During the first quarter of 2015, we closed all claims in agreement with the interested parties.</p>

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