

Local communities

Community relations contribute to the long-term success of our business and development of the communities where we operate.



Our activity and its impact on communities

Repsol's activities range from exploring remote areas in the search for hydrocarbons, to processing crude oil and gas at large industrial centers, to supplying essential energy by marketing oil products for transport and heating. We know that all of these activities have impacts on neighboring people and communities, direct and indirect, positive and negative. We occupy space, we build infrastructure, we move products and waste, we generate employment, and we create wealth through local purchasing and contracts, the fees and taxes we pay for extractive activities, and the supply of energy for transport, industrial and domestic uses.

In 2010, more than 300 communities were directly or indirectly affected by our upstream area activities⁽⁷⁰⁾ and more than 20 cities and their outlying populations were affected by our industrial complexes.

We are committed to working to maximize positive aspects and opportunities to generate shared value and to prevent and minimize negative impacts through dialogue and community involvement. This commitment is contained in our Policy on Community Relations.

COMMUNITIES AFFECTED BY OFFSHORE OPERATIONS

Offshore operations can have an impact on the economic activity of some coastal communities and populations.

Our criteria for determining which populations we consider to be within our area of influence focus on those locations:

- Where we have air support bases for operations with helicopter landing pads.
- Where there is a logistical support base for our operations with ship docking facilities.
- That could be affected by crude oil spills in the event of an accident.

All our upstream operations in Brazil are carried out offshore, in three marine basins. We determine the places and communities most affected in line with the above criteria. They are:

1. Santos Basin: city of Ubatuba (province of São Paulo), city of R o de Janeiro and city of Niter o (province of R o de Janeiro).

(70) See description of our upstream activities in the chapter Repsol and Corporate Responsibility.

2. Campos Basin: city of Vila Velha (province of Espírito Santo) and cities of Niterói, Macaé, Arraial do Cabo and Rio de Janeiro (province of Rio de Janeiro).
 3. Espírito Santo Basin: cities of Guarapari, Itapemirim, Piúma, Vila Velha and Vitória (province of Espírito Santo).
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How do we assess impact?

In 2010, the Repsol Safety and Environment, Health and Corporate Responsibility units worked to develop our Corporate Policy on Environmental, Social and Health Impact Assessment, which is awaiting approval. The aim of this policy is to ensure that any potential environmental or human rights impact is identified as soon as possible in the life cycle of each project and taken into account at the project design stage so that it can be avoided. We will undertake impact assessment on every new project and on any project facing changes.

In managing our social impact on communities, we will take into consideration direct activities by Repsol and any that result from our supply chain, partners, the government or its agencies.

The impacts of our activities on communities can be linked to people's rights to self-determination about their own development, freedom of movement, privacy and adequate living standards. Some of the areas in which upstream and downstream operations can potentially affect communities, and which must therefore be included in impact assessments, are land use, reduction of natural resources, immigration, resettling of communities, impact on communities' spiritual or cultural heritage or resources, employment generation, local inflation, urban sprawl, and impacts on public health.

How we understand community expectations

One of the elements we are working to promote within our corporate responsibility management is involvement with our stakeholders. We need to have the necessary resources to maintain dialogue with society, both external and internal, and to understand the expectations of our stakeholders at all times, despite difficulties that may arise, such as the challenges of identifying legitimate community representatives, or the inconsistent or contradictory expectations of some stakeholders in other cases. We are heavily involved in a process to identify our principal stakeholders, both internally and externally, at company, country and operational level, and to establish suitable and systematic channels for information and dialogue.

Our relationships with neighbors at our industrial complexes

Our industrial complexes are often located in or near urban environments with large populations. Repsol maintains systematic dialogue with stakeholders in these communities and establishes formal and informal communication channels in order to further develop our links with them. Some examples from our main industrial complexes are shown below:

SPAIN

| Industrial complex | Mechanisms for stakeholder dialogue | 2010 Highlights |
|--------------------|--|--|
| A Coruña | <ul style="list-style-type: none"> Formal meetings and informal contacts with neighborhood associations. Program of visits for stakeholders. Protocol for receiving, recording and dealing with complaints from local residents, via 24-hour telephone helplines. | <ul style="list-style-type: none"> Agreement with the Education Ministry of the Xunta de Galicia (regional government) for education and development of special vocational training modules for chemical plant operators. Agreement with the Coruña Down's Association to facilitate hiring of people with different capabilities. |
| Cartagena | <ul style="list-style-type: none"> Program of visits to the refinery for local residents. Periodic meetings with the local residents of Alumbres. The presidents of the various community associations are invited to the meetings along with local officials. | <ul style="list-style-type: none"> Internal safety awards were given to companies that have carried out significant prevention activities. |
| Muskiz | <ul style="list-style-type: none"> Creation of petronor.info information point in the city center of Muskiz. Creation of a dedicated facility website. Response given to all complaints received, which are recorded as required by the facility's quality procedure. Our internal dialogue procedure establishes that no distinction is to be made between the various groups and that all will be treated in the same way. | <ul style="list-style-type: none"> Vocational training grants have been provided, sponsored by Petronor, for students from local towns. |
| Puertollano | <ul style="list-style-type: none"> Permanent citizens' participation forum made up of 15 representatives from the local community and three from Repsol. Attendance at local groups' and associations' events. Our internal dialogue procedure establishes that no distinction is to be made between the various groups and that all will be treated in the same way, without any kind of discrimination. | <ul style="list-style-type: none"> Six meetings and five talks have been held by the Permanent Participation Forum. Repsol attendance at events of 74 local institutions, groups and associations. |
| Tarragona | <ul style="list-style-type: none"> Periodic meetings with local associations and organizations. Creation of a dedicated facility website. Program of visits to the refinery by local residents. | <ul style="list-style-type: none"> We signed an agreement in July with the local residents' association of Barrio de Riu Clar in Tarragona to support the association's activities in the neighborhood. |

ARGENTINA

| Industrial complex | Mechanisms for stakeholder dialogue | 2010 Highlights |
|---------------------------|--|---|
| La Plata | <ul style="list-style-type: none"> · 24-hour telephone helpline. · Channel for dealing with local residents' complaints and queries about the functioning, operations and impact of the various industrial facilities. · Educational visits to increase understanding of the industrial processes and the facility's relationship with local communities. | <ul style="list-style-type: none"> · In 2010, 2,900 people visited the refinery as part of the program of educational visits. · Agreement with the towns of Ensenada, Berisso and La Plata to take part in local community events, maintain nearby public spaces and to carry out public works to help the community. |
| Luján de Cuyo | <ul style="list-style-type: none"> · Institutional visits. · Information notes and questionnaires sent out to gauge community opinion. · Educational visits to the refinery. · Personal meetings. | <ul style="list-style-type: none"> · Framework agreement with the University of Cuyo to carry out research projects . · Framework agreement between the San Juan National University and YPF. |
| Plaza Huincul | <ul style="list-style-type: none"> · Meetings with members of the community. · Educational workshops and training forums for members of the local community. · Helpline for queries and complaints. · Open day at the refinery. | |

PERU

| Industrial complex | Mechanisms for stakeholder dialogue | 2010 Highlights |
|---------------------------|---|--|
| La Pampilla | <ul style="list-style-type: none"> · Educational-environmental radio program <i>Así es Ventanilla</i>. · Local magazine <i>Así es Ventanilla</i>. · Program of guided visits to the refinery facilities, with the participation of interested students, local residents and authorities. | <ul style="list-style-type: none"> · We undertook a study of community perceptions of the La Pampilla refinery. |

Encouraging minority participation

Our policies establish that dialogue with local communities, especially our informed consultation process, must ensure effective participation by all those affected by all our operations, including the elderly, women and ethnic minorities. Below are some examples of how we do this:

- At the Cartagena industrial complex in **Spain**, we invite the leadership of the various social associations to meetings with the representatives of Alumbres, including the Association of Elderly People and the Women's Association. A public participation forum is in place at the Puertollano industrial complex, in which all the social groups are represented.
- In **Argentina**, dialogue at the La Plata industrial complex involves minorities through the organizations that represent them, such as retired people's associations, disabled people's associations, and entrepreneurial women's groups.
- In **Algeria**, Repsol is negotiating collaboration agreements with local authorities, local associations and international associations such as the Red Crescent, the Spanish Agency for International Development

Cooperation (AECID) and UNICEF, which makes it possible to create channels for dialogue with communities and minorities.

- In **Bolivia**, there are several projects that aim to encourage female involvement in productive activities. Women in the labor force are being motivated and stimulated to participate in community decision-making.
- In **Ecuador**, the gender balance in the communities within our area of influence is very similar. Waorani culture does not view women as a minority, so participation and decisions are community and group-based. Elderly people make up a Pikenanis council, which has a decisive say in community and organization decisions.
- In **Mexico**, there are “Commonland Commissioners” in each community, who lead the activities carried out in all the rural settlements. Participation by women and elderly people is relatively high in these communities due to the high rates of migration by young men and adults to the United States.
- In our upstream operations in **Peru**, we invite all community members to take part in public workshops and meetings, and use additional measures, such as the communities' own spokespeople (*parlantes*), to ensure the authorities encourage participation by all community members, including minorities. At the La Pampilla complex, women are involved in the programs by means of mothers' associations.
- In **Trinidad and Tobago**, where all our activities are offshore, there is close collaboration with the Women in Fishing Association, whose aim is to provide women with training and tools to be self-sufficient.

How we channel complaints and suggestions

We are working to systematically implement mechanisms to allow communities to submit their complaints and grievances about our operations and activities, as well as their suggestions. Examples include:

- Maintaining 24-hour telephone helplines at our **industrial complexes** in Spain. There are also internal protocols for receiving, recording and dealing with community complaints. In 2010, complaints were made to the Muskiz industrial complex about noise and smells. We responded to them, but also made them known to the city council and the Government of the Basque Country.
- In **Brazil**, the *Fale Repsol* communication channel has both an email address and a telephone line, which are publicized in all the communities and towns in the area affected by our operations.
- The community relations management system in **Bolivia** includes a form for recording complaints, enabling them to be tracked until they are resolved.
- In **Colombia**, while the El Queso Block project was being developed, we set up a supervision and control group, staffed by people from communities in the area affected, in order to monitor the project, identify opportunities for improvement, and set up channels for communication and grievances from the community. Communities in the area of direct

influence and indigenous people living near the operations area of the Capachos Block can submit their complaints and grievances to the company through the Social Management Support office in Tame, or by email or telephone.

- In upstream operations in **Peru**, communities can communicate their concerns and complaints about the operations of Repsol and its contractors and sub-contractors by means of letters, official submissions, or directly to the community relations staff in the operational areas.

COMPREHENSIVE ACTION PLAN FOR COASTAL PROTECTION IN TARRAGONA

In 2011 the President of Repsol, Antonio Brufau, in a meeting with officials from various municipalities along the coast of Tarragona, Spain, announced the immediate launch of a comprehensive plan of action to strengthen the quality and safety of Repsol operations on the coast. The specifics of this plan are described in detail in "Prevention of spills" in the chapter "Minimising our environmental impacts" in this report.

Our contributions to community development

In 2010, Repsol spent €35.41 million on community development projects as part of our commitment to promoting the development of local communities affected by our operations. There is a wide range of community development projects: support for and strengthening of community organizations, providing microloans, and help with setting up local companies.

LOCAL RECRUITMENT IN PERU

In 2010, we undertook local employment programs in Peru in support of the project to expand 454 km of 2D seismic being carried out in Lot 39, and the project to drill exploratory wells in Kinteroni 1. Local hiring for these projects provided work for more than 250 people from communities in the area affected by the projects. People to be hired were selected by the local community. Meanwhile, the local recruitment program in the LNG area⁽⁷¹⁾ gives priority to hiring local labor.

More information on the Policy on Community Relations and all the communities affected by Repsol's activities, by country and by mechanisms for dialogue and engagement can be found at **communities.repsol.com**

(71) See description of the LNG activities in the chapter *Repsol and Corporate Responsibility*.

Indigenous communities

Repsol has formally recognized the rights of indigenous communities enshrined in international law, and works to ensure compliance with all existing international agreements, such as Convention 169 of the International Labor Organization, regardless of whether they are incorporated into the laws of the countries we operate in.

In 2010, we worked to implement and deploy our Indigenous Community Regulations, which was approved in 2009 and is to be applied to new projects, extensions of existing projects, and winding down or closure of projects. We particularly focused on programs to raise awareness of this new policy with employees and contractors. We also publicized the policy among the indigenous communities.

RELATIONS WITH INDIGENOUS COMMUNITIES AFFECTED BY REPSOL'S OPERATIONS IN 2010

| Country | Operation | N° of communities and approx. population | Ethnic group | Dialogue and consultation | Agreements reached |
|-----------|------------------------------|--|--------------------|---|--|
| Argentina | Loma la Lata (development) | 4: Paynemil, Kaxipayiñ, Purrán y Cortes. | Mapuche | Dialogue committee made up of YPF staff to arrange joint activities with the Mapuche Paynemil and Kaxipayiñ communities. | Collaboration agreements with the Paynemil and Kaxipayiñ communities to provide school assistance, social work for elderly people, supplies of gas and energy and maintain irrigation equipment. |
| Bolivia | Margarita (development) | 4 directly affected and 32 indirectly affected. (2,000 people) | Guaraní | Consultation and public participation processes on Environmental Impact Assessments (EIA): production facilities of the Huacaya X-1 well, Caipipendi Area, and collection and evacuation lines and access routes to the Margarita field. | <ul style="list-style-type: none"> Friendship and Cooperation Agreement between the Assembly of the Guaraní Itika Guasu People, signed for 20 years. Signing of a document to validate agreements for the consultation and participation process with the Assembly of the Guaraní Itika Guasu People. The consultation and participation process was carried out by the Hydrocarbons Ministry, with the support of the United Nations Development Program (UNDP). Pro Habitat agreement - Improvement and completion of 37 homes in the Guaraní community of Iguirati in the zone III Original Community Lands (TCO) Itika Guasu and construction of five social houses. Luis Herrera beekeeping agreement - Monitoring of "Make Life Sweeter" project and implementation of three basic carpentry workshops for beekeepers in Guaraní communities (Zapaterambia, Yuati and Kumandaroti). Agreement with communities in Zone III Itika Guasu - Direct support focused on immediate needs for health, education and productive development in communities in our area of direct influence. |
| | Paloma -Surubí (development) | 10 | Aymara and Quechua | Block sold in 2010. An inter-institutional agreement was signed with the town of Entre Ríos in Cochabamba and the agro-livestock union federation Mamoré-Bulo Bulo to carry out a range of work and activities to be funded jointly by the company and the local council. | |
| | North Charagua (exploration) | 5 | Not available | This block is in the process of being handed back , and so no agreements were signed in 2010 although the company collaborated in a water project to benefit the community of El Espino. | |
| Colombia | Capachos (development) | 1 indirectly affected (250 people) | Uwa | 11 meetings on various issues related to the activities, construction work, social investment and status of the block. | Procedures have been initiated to acquire an area of land of cultural importance to the Uwa people, where the Yopo tree, their sacred plant, historically grew. |

RELATIONS WITH INDIGENOUS COMMUNITIES AFFECTED BY REPSOL'S OPERATIONS IN 2010

| Country | Operation | N° of communities and approx. population | Ethnic group | Dialogue and consultation | Agreements reached |
|-----------|--|--|---|--|---|
| Ecuador | Block 16 (development) | 7 directly affected: 5 intra-block: Dikaro, Yarentaro, Timpoka, Guiyero and Peneno; and 2 far-flung settlements (411 people) of the Waorani ethnic group. 2 with impact due to logistics activity: Pompeya and Indillama (926 people), of the Kichwa ethnic group. 28 indirectly affected (1,816 people) | Quechua and Waorani | <ul style="list-style-type: none"> Public consultation and participation processes for the EIAs on: extension of the Iro A platform, drilling of nine wells, extension and drilling of three additional wells; and the provision of drill cuttings in the Bogi and Daimi A areas. More than 100 talks, information meetings, workshops and accountability events on various issues contained in the environmental management plan for Block 16 and the Tivacuno Area, as well as on issues suggested by the communities, including: Biodiversity Action Plan (PAB) workshops, carried out with the collaboration of the San Francisco University in Quito; Workshops to improve the quality of handicrafts with the Association of Waorani Women in Ecuador AMWAE; Planning and accountability meetings with communities and the governing councils and presidents of Waorani nationality communities from outside the block in Ecuador. | <ul style="list-style-type: none"> Ending of the annual operating plan and execution of the 2009 budget signed by Repsol YPF Ecuador S.A. and NAWE; Approval of the action plan to support Waorani communities and the Waorani Nationality of Ecuador (NAWE) organization. Cooperation and compensation agreement between Repsol YPF Ecuador S.A. and the Peneno community 2010 – 2013. |
| Peru | Block 39 (exploration) | 12 (1,915 people) | Arabela and Quechua | <ul style="list-style-type: none"> Various consultation and participation processes on two EIAs for the projects to extend 454 km of 2D seismic and for 3D seismic prospecting and drilling of 21 exploration wells. Information workshop during production of the EIA held in the community of Buena Vista in November 2010 and approval of the public. | In July 2010, two compensation agreements were signed with the communities of Buena Vista and Hurbina, to provide compensation for the impact of the seismic project. These agreements were contained in the EIA of the project to extend 454 km of 2D seismic. |
| | Block 57 (exploration and development) | 21 (10,570 people.) | Asháninka, Kakinte, Maachiguenga and Yine | <ul style="list-style-type: none"> Consultation and participation process on two EIAs: 2D - 3D seismic project and drilling of 21 wells, and the project to develop the southern area of the Kinteroni field. Two information workshops with directly-affected communities and the Directorate General for Environmental and Energy Affairs. | <ul style="list-style-type: none"> 25 collaboration agreements with the indigenous communities and federations and those in charge of executing the contracts to administer the Machiguenga and Ashaninka community reserves. A compensation agreement with the community of Nuevo Mundo regarding the drilling of exploratory wells and completion of Well 57-29-1XST in the Kinteroni location. |
| | Block 109 (exploration) | 20 (3,850 people) | Awajún / Chaya-huitas | Work is being done to develop strategies to build relations and to start holding information workshops and consultation processes. | None established as yet |
| | Block 90 (in process of being handed back) | 7 (2,700 people) | Asháninka and Yine | In 2010, the block was returned to the Peruvian State. However, actions are being taken to improve reforestation of the areas affected, as well as necessary actions to compile supporting documentation to show that all social commitments made to the indigenous communities affected in previous years have been fulfilled. In 2010, a consultation and participation process was carried out on the program to improve reforestation in Sipán, contained in the termination plan for Lot 90. | |
| Venezuela | Quiriquire (development) | 1 indirectly affected (500 people) | Warao | | Projects were agreed in the area of health, with actions coordinated with the Regional Indigenous Health Directorate. |

More information on our Policy on Relations with Indigenous Communities, the Regulation for Actions in Relations with Indigenous Communities and the Repsol management system for indigenous communities can be found at communities.repsol.com

Measuring our performance

To evaluate our social performance in ongoing operations with indigenous communities, we have committed ourselves to carrying out independent third-party studies. These studies analyze our compliance with our Policy on Relations with Indigenous Communities in our ongoing projects in countries where our operations affect these communities.

In 2010, we carried out studies on our operations in Peru and Bolivia.

| Methodology | Development | Results |
|---|--|---|
| Carrying out of study by an independent third party | 3 operations analyzed in Peru (two in exploration and one in development). | Final report with 79 recommendations for Repsol (October 2010). |
| Review of Repsol corporate and local documentation | 1 operation analyzed in Bolivia (production). | |
| Analysis of disputes and claims against Repsol in relation to its operations | More than 70 interviews with stakeholders: Local communities, Indigenous communities, Indigenous federations, Public administrations, International bodies, NGOs. | Action Plan to be carried out by Repsol (January 2011, being developed). |
| Identification of stakeholders at company, national and local level | Interviews with local Repsol employees | Approval of Action Plan (2011). |
| Preparation of interviews | Interviews with Repsol operation contractors. | |
| Participation by two civil society experts with comments and recommendations at all project phases. | Interviews with Repsol operation partners. | Publication of Action Plan (www.repsol.com) |

Disputes arising

In Bolivia:

- In September, leaders of the National Assembly of the Guaraní People (APG) called Repsol to a joint meeting with the Hydrocarbons Ministry in the community of Tentayapi, in order to consider reclassifying the environmental report on the 3D seismic project in Huacaya from medium to high impact. The Hydrocarbons Ministry modified the project category without objection from Repsol. After this meeting, the community in question published a press release saying that it would not accept any kind of activity in its territory. Repsol is reviewing its operations so they may be carried out in areas in which the communities are in favor of the project.
- In December 2010, the signing of a Friendship and Cooperation Agreement with the Assembly of the Guaraní People of Itika Guasu (APGIG) put an end to the dispute with the communities of the Original Community Lands (TCOs, by its Spanish acronym) negotiations on which were stalled from 2006 until May 2010.

In Peru:

- Expanded information was provided to the central office of the Ashaninka people of the Tambo river on the Environmental Impact Assessment for the 2D - 3D seismic project and drilling of 21 wells as a decisive factor for continuing with the public hearings that had to be carried out.

In Ecuador:

- In December 2010, a report from an Environmental Clinic working group claimed that the money from the *Friendship, Respect and Mutual Support Agreement* signed in 1993 by the Waorani Nation of Ecuador (NAWE) and the company Maxus, previous operator of Block 16, was destroying the Waorani people. In a subsequent press release, the NAWE denied the statements in the report and defended the Waorani people's right to development, growth and defense of their territory.

Our community investment

In 2010, Repsol spent €29.99 million on social investment projects. Added to those arising from legal, regulatory or contractual requirements, these brought the total spent in 2010 to €35.41 million.

VOLUNTARY SOCIAL INVESTMENT⁽⁷²⁾

| Million euros | 2008 | 2009 | 2010 |
|-------------------|-------|-------|-------|
| Social investment | 28.32 | 30.25 | 29.99 |

As in previous years, we have continued to use the London Benchmarking Group (LBG) methodology for reporting social investments, which provides a general overview and makes it possible to compare the results with those of other companies using the same methodology.



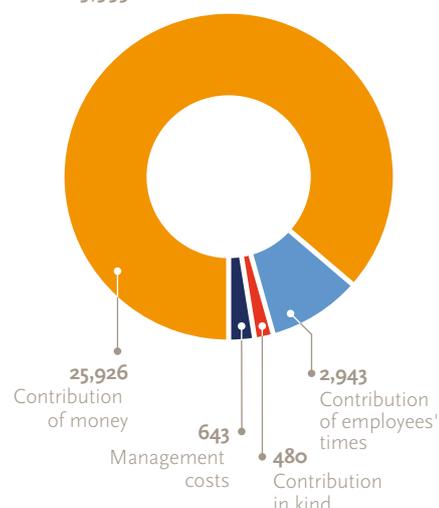
The LBG methodology guides the way in which companies report their community contributions, be they money, employees' time, in-kind or in management costs. We are reporting our social investment for the first time this year by type of contribution:

- Contribution of money refers to the monetary amount that we spent on social investment projects.
- Contribution of time is the proportional cost of the hours of paid work of employees who have carried out community projects.
- Contribution in kind includes products, equipment, the provision of company facilities and other non-monetary resources.
- Management costs include expenditure incurred for the general management of social investment projects that cannot be assigned to specific projects.

(72) The social investment figures for 2008 and 2009 were recalculated this year due to the modification of social investment in Venezuela, which incorporated the obligatory social investment outlined in the 2009 CR report. This modification has been applied in all the figures in this section relating to 2008 and 2009.

Type of contribution

Thousands of euros
Total: 29,993



Our community contribution is broken down by project type in the table Social investment by project type:

SOCIAL INVESTMENT BY PROJECT TYPE

| Thousands of euros | 2008 | 2009 | 2010 |
|-----------------------------|---------------|---------------|---------------|
| Education and training | 9,912 | 9,624 | 10,430 |
| Local community development | 5,248 | 7,202 | 6,337 |
| Social integration | 4,582 | 4,963 | 3,898 |
| Health | 1,796 | 2,231 | 2,144 |
| Environment | 4,841 | 2,743 | 2,050 |
| Art and culture | 1,942 | 3,186 | 3,637 |
| Humanitarian aid | NA | 299 | 530 |
| Fees and associations | N.a. | N.a. | 965 |
| TOTAL | 28,321 | 30,248 | 29,993 |

Social projects in 2010 led to an increase in our social investment over the previous year in every country except Libya, Mexico and Venezuela.

DISTRIBUTION OF SOCIAL INVESTMENT BY COUNTRY

| Thousands of euros | 2008 | 2009 | 2010 |
|---------------------------|---------------|---------------|---------------|
| Spain | 8,982 | 10,233 | 12,319 |
| Argentina ⁽⁷³⁾ | 14,663 | 13,444 | 6,254 |
| Algeria | 0 | 37 | 458 |
| Bolivia | 416 | 506 | 1,164 |
| Brazil | 213 | 307 | 738 |
| Canada | 0 | 119 | 163 |
| Colombia | 129 | 72 | 275 |
| Ecuador | 1,433 | 843 | 1,576 |
| Libya | 0 | 1,516 | 671 |
| Mexico | 62 | 63 | 34 |
| Peru | 913 | 1,362 | 4,830 |
| Portugal | 709 | 388 | 390 |
| Trinidad and Tobago | 194 | 96 | 411 |
| Venezuela | 471 | 405 | 131 |
| Other | 136 | 857 | 577 |
| TOTAL | 28,321 | 30,248 | 29,993 |

In our 2010 figures, we have incorporated our in-kind and management cost contributions, which were not included in previous years. Aside from these, the most significant variations in social investment have been:

- The significant increase in social investment in **Algeria**, resulting from the launching of a social and cultural investment strategy,

(73) The 2010 figure corresponds to verified social investment. In addition, there are other social investment projects that have not been included due to the unreliability of their records.

with the commencement of projects designed and negotiated at the end of 2009.

- The increase in **Bolivia** was primarily due to the signing of the Friendship and Cooperation Agreement with the Assembly of the Guaraní Itika Guasu People, through which Repsol committed ourselves to make financial contributions to properly implement the community development plan.
- In **Brazil** the increased investment in 2010 was due to the Repsol Educational Platform program for the fishing community having operated for a duration of 10 months, compared with six months in 2009.
- The increased social investment in **Colombia** was due to the start of exploratory activities in the El Queso Block and the social programs associated with this project. The Repsol Foundation also made a donation in 2010 to the victims of the winter weather in Colombia by means of the Colombia Humanitaria Campaign spearheaded by the Presidency of the Republic.
- The increase in **Ecuador** was linked to the launching of a special training project and the start-up of a new social project aimed at the poorest inhabitants of the town of Orellana.
- A larger social investment was made in **Libia** in 2009 to construct a hospital in Ubari.
- In **Peru** social investment increased as a result of greater activity in the operated blocks.
- The increase in social investment in **Trinidad and Tobago** was linked to a project to build three new greenhouses and the Repsol Foundation's contribution to health projects in cooperation with the Red Cross.
- The voluntary social investment in **Venezuela** fell because Repsol's operations in the Barrancas area and at the Termobarrancas electricity generation plant in Barinas came to an end in 2009. Social investment projects were carried out during the whole of 2008 and part of 2009 in the areas of our operations.

Mandatory contributions

These are contributions made by Repsol to the community as a result of legal, regulatory or contractual requirements. This kind of contribution was made in eight countries in 2010: Argentina, Bolivia, Colombia, Ecuador, Libya, Mexico, Peru and Venezuela.

| SOCIAL INVESTMENT BY TYPE OF CONTRIBUTION | | | |
|--|-------------------------------|-------------------------------|-------------------|
| In euros | Voluntary contribution | Mandatory contribution | Total |
| Spain | 12,319,383 | 0 | 12,319,383 |
| Argentina | 6,254,179 | 431,405 | 6,685,585 |
| Algeria | 458,469 | 0 | 458,469 |
| Bolivia | 1,163,979 | 1,507,159 | 2,671,138 |
| Brazil | 737,559 | 0 | 737,559 |
| Canada | 163,424 | 0 | 163,424 |
| Colombia | 275,296 | 23,336 | 298,632 |
| Ecuador | 1,576,313 | 176,338 | 1,752,650 |
| Mexico | 33,715 | 43,743 | 77,458 |
| Libya | 670,777 | 688,772 | 1,359,549 |
| Peru | 4,830,041 | 441,429 | 5,271,471 |
| Portugal | 390,261 | 0 | 390,261 |
| Trinidad and Tobago | 410,712 | 0 | 410,712 |
| Venezuela | 131,417 | 2,108,515 | 2,239,933 |
| Other | 576,993 | 0 | 576,993 |
| TOTAL | 29,992,517 | 5,420,698 | 35,413,215 |

The Millennium Development Goals

Repsol, as a UN Global Compact signatory company, works to encourage and promote the uptake of the Millennium Development Goals (MDG), an ambitious set of targets designed to enable governments, businesses, foundations and civil society groups to meet the needs of the world's poorest people. In 2010, approximately 296 social investment projects carried out by Repsol related to the Millennium Development Goals.

| SOCIAL INVESTMENT PROJECTS BY THEIR CONTRIBUTION TO THE MDGs | | (thousands of euros) |
|---|---------------|----------------------|
| Millennium Goal | 2010 | |
| Eradicate extreme poverty and hunger | 1,566 | |
| Achieve universal primary education | 1,340 | |
| Promote gender equality and empower women | 1,431 | |
| Reduce child mortality | 213 | |
| Improve maternal health | 101 | |
| Combat HIV/ AIDS, malaria and other diseases | 573 | |
| Ensure environmental sustainability | 1,515 | |
| Develop a global partnership for development | 4,048 | |
| TOTAL | 10,787 | |

REPSOL FOUNDATION: SOCIAL ENERGY

Responsible citizenship

The Repsol Foundation Responsible Citizenship project is an initiative designed to promote a culture of participation and commitment and to foster the values of responsibility, solidarity and respect. In the 2010 campaign, the Responsible Citizenship caravan, a mobile exhibition and interactive vehicle with games and workshops, travelled around various cities in Spain, raising awareness among young people about the importance of using energy responsibly and efficiently, and the need to care for and respect the environment. The caravan received more than 37,700 visits during its journey.

Energy observatory

This is a platform to promote rational energy use and lay the groundwork for an energy model that will improve competitiveness and sustainability. The observatory has developed two new measurement indices to help contribute to improving knowledge and policies designed to promote energy saving and efficiency among the public. Firstly there is an Energy Efficiency Index, which measures how energy efficiency is evolving in Spain and provides overall and detailed information on the most significant sectors in terms of energy consumption. Secondly, a Social Indicator of Energy Efficiency analyzes and measures trends, attitudes and behavior among Spaniards in relation to energy and energy use. The Energy Efficiency Index was updated in 2010, with a new index being created, the Index of Greenhouse Gas Emissions Intensity.

This provides sector-based information on greenhouse gas emissions associated with the production, distribution and use of energy in Spain and the EU 15.

Integration and diversity

One of the areas in which the Foundation is increasingly involved is making a contribution to the social inclusion and employment of disabled people, and it is working on initiatives in the areas of education, culture and sports. The educational awareness-raising program *Your education has no limits. Develop your future* was put into action in the last quarter of the year, in collaboration with the ONCE Foundation. The objective of this program is to help disabled people to go to university and to standardize the processes whereby they can join the labor market. Also significant is the collaboration program with the Bobath Foundation, which has enabled young people suffering from paralysis and brain damage to take part in official vocational training in Administrative Management, which will give them an opportunity for employment. The first three students obtained their qualifications in 2010. The Foundation also supports sporting initiatives that enable athletes with various disabilities to take part in adapted mountain sports and cycling activities in a normal environment with their families and friends. The Foundation also carries out specific literary and theater workshops for this social group, in collaboration with other organizations.

One such initiative is *Rethink*, designed to raise social awareness about the problems faced by people with various disabilities. *Rethink* is an interactive space that provides a sensory trail, in which participants carry out a series of activities that illustrate the difficulties that disabled people face in their daily lives.

Education and training

Aside from the grant programs and collaboration with universities and other academic institutions, the Foundation also supported scientific research and the generation and dissemination of knowledge. Particularly noteworthy is the Movilab program, carried out with the Spanish National Research Council (CSIC), to narrow the gap between science and the general public and, in particular, to promote schoolchildren's interest in scientific careers. Throughout the academic year, this mobile laboratory inside a truck trailer traveled around the main provincial capitals and various towns in Spain, offering interactive and scientifically-rigorous workshops using teaching techniques.

International cooperation

In the sphere of international cooperation and development aid, the Repsol Foundation has taken an active role in the reconstruction work in Haiti. It has drawn up a global aid plan to contribute to development and reconstruction in this Caribbean country, with projects to boost agricultural, fisheries and livestock production, as well as to process these products and sell them in local markets. These programs are being carried out in collaboration with Solidaridad Internacional. In Senegal the Foundation has provided infrastructure for schools and health centers in various communities south of Dakar, in collaboration with the Por una Sonrisa en Africa Foundation, directly and indirectly benefiting more than 6,000 people.

Country actions

The Repsol Foundation carries out activities in countries where the company has a presence, with specific projects designed to suit the requirements of each area. In Ecuador it is running a microcredit program in the provinces of Orellana and Sucumbíos for women on low incomes, enabling them to generate their own employment resources. In Peru it has set up the Center for Studies and Integrated Human Development for young people at risk of social exclusion in Arequipa, and has improved the educational infrastructure in Pachacútec by building a secondary school and a basic training classroom at the Center for Studies and Community Development (CEDEC). It has also started to build the Luisa Astrain School to provide children living in extreme poverty with access to schooling.

In Bolivia, in the area of health, work has started on building a pediatrics and emergency clinic in Santa Cruz de la Sierra, a region which has enormous needs in this area. It has also continued with the healthy housing program to combat Chagas disease in some communities in the country.

Social studies

The Foundation also promotes and carries out general interest studies with the aim of gaining a deeper understanding of the most pressing social needs and problems in society, and to help to generate and disseminate knowledge. Its research guidelines cover various thematic areas: social energy observatory, responsible travel, and science and society. Two complementary studies were launched in 2010 in the area of responsible travel: *Food on road trips: Habits and behavior*, which is studying the principal food habits and behavior of drivers and their passengers on road trips and *Nutritional recommendations on trips*, which sets out the most suitable guidelines for eating on different kinds of journeys.

Art and culture

Providing access to art and culture is another way of contributing to community development and progress. The Foundation collaborates with museums, institutions and other cultural foundations to bring music, theater, art and literature to the public.

More information on Repsol's social investment projects in each country can be found at communities.repsol.com

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