

Sustainability
Plan
2015

Ecuador



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Legal Notice

The Sustainability Plan for Ecuador 2015 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.

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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.

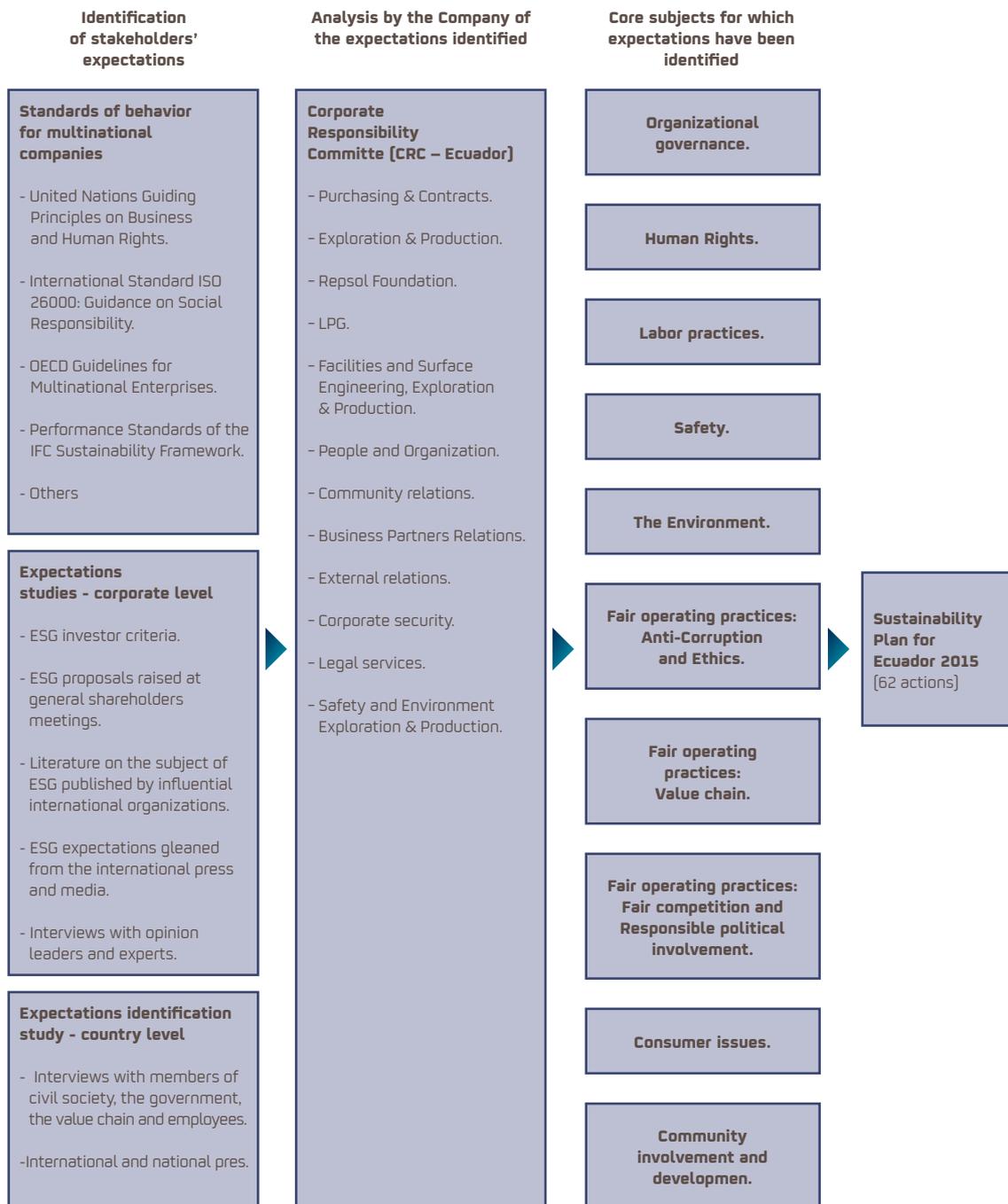
The identification of these expectations at a global level has been carried out through an analysis of four international standards that currently make up the broadest international consensus on acceptable behavior for a multinational company.

In addition, we have developed Expectations Surveys on relevant issues for the Company's stakeholders, at corporate and country level. The surveys focus on aspects of organizational governance and environmental and social management (ESG).

After an analysis and consolidation process, the results were studied by the Ecuador Corporate Responsibility Committee, chaired by the Managing Director of the country business unit and formed by 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 stakeholders in Ecuador into 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 society through an annual follow-up report.

This Plan consists of 62 specific short-term actions [2015] with its corresponding implementation indicators, grouped in nine 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 Labor practices, Environment and Organizational Governance programs:

**-DISTRIBUTION OF THE ACTIONS OF THE SUSTAINABILITY PLAN FOR ECUADOR
BY ACTION PROGRAMS -**

| Programs | Number of actions |
|--|--------------------------|
| Organizational Governance | 10 |
| Human Rights | 7 |
| Labor practices | 11 |
| Safety | 6 |
| The Environment | 12 |
| Fair operating practices: Anti – Corruption and Ethics | 3 |
| Fair operating practices: Value chain | 6 |
| Consumer issues | 1 |
| Community involvement and development | 6 |

The 2015 Sustainability Plan for Repsol Ecuador 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.

86% 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

Organizational 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 pressing issues that are related to the Company's senior governing body: efficient use of financial, natural and human resources; transparency and accountability; and compliance with applicable law and the Company's own internal regulations, all this involving the full involvement and commitment of organization's leaders.

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 10 actions to this Sustainability Plan with which it aims to reinforce its response to the main expectations, as indicated below.

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

GOVERNANCE PROGRAM

Expectation:

Become more transparent in communicating the work the company carries out to benefit citizens.

Expectation:

Enhance the environmental information that Repsol publishes in relation to compliance with environmental standards.

Expectation:

Increase transparency and publish more information on the company's compliance with corporate social responsibility plans.

Expectation:

Communicate more effectively and regularly on Repsol's social and environmental performance to the company's stakeholders.

Expectation:

Increase transparency and information in relation to Repsol's plans, programs and operations in Ecuador.

Expectation:

Strengthen the mechanisms in place within the company to raise awareness of Repsol among the Ecuadorian public.

Expectation:

Launch a recurring process to improve relations with critical stakeholders for the company.

Actions included in the program:

1. Develop a plan to improve ties with the local authorities of Santo Domingo, Bellavista and Montecristi, based on the dissemination of relevant business issues: safety systems, impacts on the local economy, ISO certifications, operating processes.
2. Disseminate good corporate responsibility (CR) practices to State institutions.
3. Encouraging and improving use of the website to provide information on Repsol's activities in Ecuador.
4. Improve the company's performance when it comes to reporting on its social, ethical and environmental impacts in Ecuador.
5. Provide information and improve knowledge of applicable law relating to employment, human rights and regulatory compliance among the management team at Repsol Ecuador.
6. Provide internal personnel with training in applicable law on hydrocarbons and oil and gas derivatives.
7. Raise awareness among employees of the 2014 Corporate Responsibility Report.
8. Raise awareness among employees of the 2015 Corporate Sustainability Report.
9. Reach out strategically to the key stakeholders of Repsol Ecuador.
10. Work to introduce all of Repsol Ecuador's business lines into the 2015 Corporate Responsibility Report for Ecuador.

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

| | |
|---------------------------|---|
| <p>ACTION</p> | <p>Develop a plan to improve ties with the local authorities of Santo Domingo, Bellavista and Montecristi, based on the dissemination of relevant business issues: safety systems, impacts on the local economy, ISO certifications, operating processes.</p> |
| <p>DESCRIPTION</p> | <p>We will develop a plan to improve ties with the local authorities of Santo Domingo, Bellavista and Montecristi, largely by raising awareness of relevant business issues: safety systems, impacts on the local economy, ISO certifications, operating processes.</p> |
| <p>INDICATOR</p> | <ul style="list-style-type: none"> - Matrix of expectations raised. - No. of minutes of meetings. - No. of information dossiers handed out. |
| <p>ACTION</p> | <p>Disseminate good corporate responsibility (CR) practices to State institutions.</p> |
| <p>DESCRIPTION</p> | <p>We will disseminate the company's good corporate responsibility practices at forums and meetings with officials from the Secretariat for Hydrocarbons and the Hydrocarbons Regulation and Control Agency. This initiative is in addition to our plan to disseminate the 2014 CRR planned for 2015.</p> |
| <p>INDICATOR</p> | <p>Stage a talk to share best practices on the subject of corporate responsibility.</p> |

ACTION

Encouraging and improving use of the website to provide information on Repsol's activities in Ecuador.

DESCRIPTION

We will update content and information continuously in relation to Repsol's business activities within the country.

INDICATOR

Two monthly articles and monitoring from central headquarters.

ACTION

Improve the company's performance when it comes to reporting on its social, ethical and environmental impacts in Ecuador.

DESCRIPTION

We will raise awareness of the 2014 Corporate Responsibility Report (CRR) among stakeholders affected by Repsol Ecuador's right of way.

INDICATOR

Raise awareness of the CRR 2014.

| | |
|--------------------|---|
| ACTION | Provide information and improve knowledge of applicable law relating to employment, human rights and regulatory compliance among the management team at Repsol Ecuador. |
| DESCRIPTION | We will create an information exchange group comprising the managers of the Repsol Ecuador business unit. The group will discuss and circulate information on legal concerns relevant to the company's business activities. |
| INDICATOR | Information to be sent at least once a month. |
| ACTION | Provide internal personnel with training in applicable law on hydrocarbons and oil and gas derivatives. |
| DESCRIPTION | We will stage internal training events focusing on current law, compliance and control entities in relation to oil and gas and environmental concerns. |
| INDICATOR | Talk to be given every six months. |
| ACTION | Raise awareness among employees of the 2014 Corporate Responsibility Report. |
| DESCRIPTION | We will raise awareness among Repsol Ecuador employees of key aspects of the Corporate Responsibility Report through a campaign aimed at providing information through the internal communication channel. |
| INDICATOR | Three further talks following the launch of the Corporate Responsibility report. |

| | |
|--------------------|--|
| ACTION | Raise awareness among employees of the 2015 Corporate Sustainability Report. |
| DESCRIPTION | We will hold discussions with company employees and hand out a hard or soft copy of the Sustainability Plan to heighten their awareness of key aspects. |
| INDICATOR | Number of talks held and hard and soft copies handed out. |
| ACTION | Reach out strategically to the key stakeholders of Repsol Ecuador. |
| DESCRIPTION | We will hold meetings with strategic groups belonging to civil society, including opinion leaders, universities and other parties with the aim of promoting spaces of common interest. |
| INDICATOR | Two meetings every six months. |
| ACTION | Work to introduce all of Repsol Ecuador's business lines into the 2015 Corporate Responsibility Report for Ecuador. |
| DESCRIPTION | From the Corporate Social Responsibility division for Ecuador we will coordinate and arrange working meetings with the Duragas business line (Liquefied Petroleum Gas) so as to prepare a guide to drawing up a CRR 2015 for Ecuador that addresses all lines of business. |
| INDICATOR | <ul style="list-style-type: none"> - Periodic meetings to integrate the LPG business line. - Training in how to prepare the CRR. - Final document developing the integrated CRR. |

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 seven actions included in this Sustainability Plan for Repsol Ecuador, 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:

Respect the human rights of the local community.

Expectation:

Provide better training to security staff present at Repsol facilities to avoid conflicts with members of the Waorani tribe.

Expectation:

Set up consultation processes with local communities.

Expectation:

Provide internal information on human rights to employees, adapting it to the characteristics of the company and the sector.

Expectation:

Share our human rights policy with suppliers, contractors and partners.

Expectation:

Develop a child protection code of conduct for all business operations, and encourage companies linked to the business operations, products and services to also develop such a code of conduct.

Expectation:

Companies must act in accordance with the principles of Convention 169 if they wish to benefit from legal certainty, legitimacy, partnerships and sustainability.

Actions included in the program:

1. Ensure that private security operations at Repsol Ecuador better incorporate and reflect the Voluntary Principles on Security and Human Rights.
2. Foster respect for human rights among our suppliers and contractors in Ecuador.
3. Gauge the extent to which Repsol employees working at the El Chorrillo terminal of EP Petroecuador respect and observe human rights.
4. Incorporate a clause prohibiting child labor in contracts signed with liquefied petroleum gas (LPG) distributors.
5. Disseminate human rights to back office and operational staff across all plants and at the Duragas work center.
6. Improve training in preliminary open and informed consultation processes.
7. Transfer knowledge and experiences on the subject of human rights to our stakeholders: national police.

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

Commercial relations

| | |
|-------------|--|
| ACTION | Ensure that private security operations at Repsol Ecuador better incorporate and reflect the Voluntary Principles on Security and Human Rights. |
| DESCRIPTION | We will put into practice the official implementation guidance of the Voluntary Principles on Security and Human Rights, an international initiative. We will also update the Risk Assessments for Critical Facilities and add these to a single matrix in line with the risk analysis methodology for corporate security, while also enhancing training in human rights for all security personnel. |
| INDICATOR | 100% of security personnel to be trained in human rights. |
| ACTION | Foster respect for human rights among our suppliers and contractors in Ecuador. |
| DESCRIPTION | At the fourth annual meeting with suppliers and contractors in Ecuador to be held in the last four months of 2015, we will promote and encourage them to become more aware of Repsol regulations on the “Ethics and conduct of suppliers” and to adopt codes of conduct consistent with these rules. We will explain the scope of the responsibility of all Repsol suppliers and contractors to respect internationally recognized human rights. |
| INDICATOR | IV Suppliers Conference to be staged in November 2015. |

| | |
|-------------|--|
| ACTION | Gauge the extent to which Repsol employees working at the El Chorillo terminal of EP Petroecuador respect and observe human rights. |
| DESCRIPTION | We will set up a baseline for human rights that our personnel working at the El Chorillo terminal of EP Petroecuador must honor and observe. |
| INDICATOR | Baseline for human rights compliance. |
| ACTION | Incorporate a clause prohibiting child labor in contracts signed with liquefied petroleum gas (LPG) distributors. |
| DESCRIPTION | We will include a clause prohibiting child labor in contracts entered into with LPG distributors. |
| INDICATOR | Percentage of contracts with anti-child labor clause / total contracts. |

Culture and management

| | |
|--------------------|---|
| ACTION | Disseminate human rights to back office and operational staff across all plants and at the Duragas work center. |
| DESCRIPTION | We will develop a training plan to ensure greater respect for human rights. The plan will focus on our stakeholders and make use of real case simulations as a teaching and learning aid. |
| INDICATOR | <ul style="list-style-type: none">- Number of workshops held.- Percentage of collaborators to have received training. |

Indigenous communities

| | |
|--------------------|---|
| ACTION | Improve training in preliminary open and informed consultation processes. |
| DESCRIPTION | We will set up spaces and forums for exchanging experiences both within and outside Ecuador on the subject of preliminary open and informed consultation processes. |
| INDICATOR | We will arrange talks to share experiences relating to preliminary consultation processes. |

Security forces

| | |
|-------------|---|
| ACTION | Transfer knowledge and experiences on the subject of human rights to our stakeholders: national police. |
| DESCRIPTION | <p>We will provide training to officers of the national police force on how to conduct proper human rights impact assessments.</p> <p>We will hold round tables and workshops to explore the issue, focusing on safety concerns associated with the processes of the business unit.</p> |
| INDICATOR | <ul style="list-style-type: none"> - Number of round tables. - Number of workshops. - Number of people in attendance. |

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 11 individual actions that Repsol Ecuador 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

Expectation:

Gauge the extent to which employees working at the facilities of the state-owned company Petroecuador, El Chorillo terminal, respect and observe human rights.

Expectation:

Promote employee awareness of and compliance with corporate policies through adequate dissemination thereof.

Expectation:

Run effective campaigns for all staff to highlight the cultural changes needed across the company at all levels.

Expectation:

Continue developing programs within the company to promote the values and principles put into effect by the company.

Expectation:

Provide all workers at all stages of their career with equal and non-discriminatory access to skills development, training and practical learning opportunities for professional development.

Expectation:

Provide all employees with working conditions that allow them to enjoy, to the greatest extent possible, a work/life balance and that are in line with conditions offered by peer employers.

Expectation:

Adopt measures to promote objective evaluations of labor, based on the duties involved.

Expectation:

Set up channels for dialogue and communication that meet the needs and requirements of employees.

Expectation:

Bring job promotions and salary increases in line with the results of performance assessment processes.

Expectation:

Remain fully committed to the career development of women across all levels of the company.

Expectation:

Roll out specific programs and initiatives to retain existing talent within the company.

Expectation:

Establish feedback mechanisms to allow employees to contribute ideas or solutions with regard to management.

Actions included in the program:

1. Implement an action plan to improve the workplace climate at Repsol Ecuador.
2. Promote internal communication and dialog with employees of Repsol Ecuador.
3. Conduct an audit of the management through commitments compensation process adopted by the company.
4. Develop a training program for internal facilitators to generate more critical knowledge.
5. Disseminate corporate practices and policies geared towards local human resources and which better serve employees.
6. Implement the talent retention guide prepared in 2014 and subsequently approved and incorporated into our integrated management system (IMS).
7. Promote and strengthen corporate values at Repsol Ecuador.
8. Strengthen the non-monetary recognition model for Repsol Ecuador employees.
9. Identify, control and mitigate the physical and mental health hazards detected in the studies conducted to date.
10. Bring about a better work-life balance for employees that work at Block 16 and in the liquefied petroleum gas (LPG) business.
11. Foster the inclusion of women in Repsol business activities in Ecuador.

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

Company - employee dialogue

| | |
|--------------------|---|
| ACTION | Implement an action plan to improve the workplace climate at Repsol Ecuador. |
| DESCRIPTION | We will prepare an action plan that reflects the corporate lines of action and embraces all areas of improvement flagged in the 2014 workplace climate survey. |
| INDICATOR | 90% of the plan completed. |
| ACTION | Promote internal communication and dialog with employees of Repsol Ecuador. |
| DESCRIPTION | We will reinforce the formal communication channels in place within the company: notifications, working brunches with employees, relaunching the Employee Care Service (ECS), scheduled meetings between managers and their teams, information bulletins and a new communication and suggestions channel. |
| INDICATOR | <ul style="list-style-type: none"> - 18 brunches (12 E&P and 6 LPG). - ECS campaign carried out. - New communication channel. - Registration of the scheduled meetings. |

Culture, development and management

| | |
|--------------------|---|
| ACTION | Conduct an audit of the management through commitments compensation process adopted by the company. |
| DESCRIPTION | We will ensure that pay and other compensation associated with career development reflects the results of the management by commitments assessment process. We will launch a preliminary campaign to raise awareness among bosses of the salary increase process. |
| INDICATOR | Deviation of under 10%. |
| ACTION | Develop a training program for internal facilitators to generate more critical knowledge. |
| DESCRIPTION | We will train a team of internal facilitators to enable them to give courses on critical knowledge within the company among the youngest members of the workforce. |
| INDICATOR | <ul style="list-style-type: none"> - Number of training programs held. - Number of training hours provided. |
| ACTION | Disseminate corporate practices and policies geared towards local human resources and which better serve employees. |
| DESCRIPTION | We will describe the company's actions and good practices for the benefit of employees so as to boost staff satisfaction through the good and proper use of company practices, policies and benefits. |
| INDICATOR | <ul style="list-style-type: none"> - Dissemination strategy defined. - 10 dissemination initiatives. |

| | |
|--------------------|--|
| ACTION | Implement the talent retention guide prepared in 2014 and subsequently approved and incorporated into our integrated management system (IMS). |
| DESCRIPTION | We will put into practice all the courses of action developed and tested in previous years to retain existing talent at Repsol Ecuador. |
| INDICATOR | We will ensure that the current voluntary employee turnover rate does not climb above 6%. |
| ACTION | Promote and strengthen corporate values at Repsol Ecuador. |
| DESCRIPTION | We will incorporate a pilot model developed by the LPG business to reward actions undertaken in relation to corporate values and implement the innovation network. |
| INDICATOR | <ul style="list-style-type: none">- Rewards model.- Network implemented. |

| | |
|--------------------|---|
| ACTION | Strengthen the non-monetary recognition model for Repsol Ecuador employees. |
| DESCRIPTION | We will reinforce the non-monetary employee recognition plan to encompass key actions that fell outside the scope of the original plan and which will ensure greater involvement of administrative and technical personnel as we shift the scope of the plan to include the reporting of actions. |
| INDICATOR | 75% degree of involvement. |

Employee health

| | |
|--------------------|--|
| ACTION | Identify, control and mitigate the physical and mental health hazards detected in the studies conducted to date. |
| DESCRIPTION | We will implement an action plan based on the results of the psychosocial surveys conducted: PSICO (2014) and ISTAS21 (2011), addressing any deviations detected in respect of psychosocial hazards that affect employees. |
| INDICATOR | Plan compliance of over 85%. |

Promotion of diversity and reconciliation

| | |
|--------------------|--|
| ACTION | Bring about a better work-life balance for employees that work at Block 16 and in the liquefied petroleum gas (LPG) business. |
| DESCRIPTION | We will carry out the following actions to promote a suitable work-life balance at the company's facilities: We will ensure that employees working at Block 16 do not have to work during their rest periods. We will also implement summer working hours for employees who work in the LPG business. |
| INDICATOR | 80% reduction in cases. |
| ACTION | Foster the inclusion of women in Repsol business activities in Ecuador. |
| DESCRIPTION | We will roll out a number of different initiatives in a bid to incorporate a greater number of women across all Repsol Ecuador facilities and offices. |
| INDICATOR | 20% of women assigned to available openings (LPG applies only administrative personnel). |

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 business relations.

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**

Furthermore, the Company has added six actions to this Sustainability Plan with which aim to reinforce its response to the main expectations, as indicated below.

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

SAFETY PROGRAM

Expectation:

Develop contingency plans, risk maps and early response plans.

Expectation:

Develop accident prevention scenarios related to company business.

Expectation:

Identify, evaluate and mitigate possible health and safety risks at the company's facilities.

Expectation:

Establish increasingly exhaustive systems and procedures for investigating accidents and incidents.

Expectation:

Have adequate systems for managing potential risks and hazards in company installations, especially those located in the most critical areas.

Expectation:

Introduce procedures and measures to ensure that the main suppliers present along the supply chain are taking measures to prevent or correct situations that could endanger workers' lives.

Actions included in the program:

1. Improve corporate responsibility among our liquefied petroleum gas (LPG) suppliers in Ecuador, focusing on industrial safety aspects.
2. Improve the land transport safety of commercial distributors that load up at the Montecristi and Pifo plants.
3. Implement a plan to reinforce the need for safety in communities lying in the vicinity of the Santo Domingo and Bellavista plants.
4. Prevent accidents through incident investigation.
5. Improving safety for our fleet in Ecuador in relation to the transport of liquefied petroleum gas (LPG).
6. Roll out the Hazard Management Plan.

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

Commercial relations

| | |
|-------------|--|
| ACTION | Improve corporate responsibility among our liquefied petroleum gas (LPG) suppliers in Ecuador, focusing on industrial safety aspects. |
| DESCRIPTION | We will give talks to our LPG transporters in Ecuador on the subject of industrial safety, taxation and basic maintenance of units. |
| INDICATOR | <ul style="list-style-type: none"> - Number of man-hours of annual attendance. - Number of talks given. |
| ACTION | Improve the land transport safety of commercial distributors that load up at the Montecristi and Pifo plants. |
| DESCRIPTION | <p>We will hold talks on safe driving aimed at the drivers of commercial distributors that take on load at the Montecristi and Pifo plants. The plan envisages the following activities:</p> <ol style="list-style-type: none"> 1. Design of the program. 2. Spreading invitations to the talks. 3. Implementing the talks and conferences. 4. Evaluating the results. |
| INDICATOR | <ul style="list-style-type: none"> - Percentage of drivers trained. - Number of talks/conferences staged. - Number of hours spent on talks. |

Culture and management

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|-------------|--|
| ACTION | Implement a plan to reinforce the need for safety in communities lying in the vicinity of the Santo Domingo and Bellavista plants. |
| DESCRIPTION | <p>We will work on a plan to target people who live close to our operations and concerning:</p> <p>a) Safety of our facilities and operations (includes guided tour of the plant)</p> <p>2) Safe consumption of liquefied petroleum gas (LPG) intended for domestic use.</p> |
| INDICATOR | <ul style="list-style-type: none"> - Agreement signed with the local fire brigade. - No. of talks given. - No. of people to attend the training. - No. of bulletins printed and handed out. |

Incident management

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|-------------|---|
| ACTION | Prevent accidents through incident investigation. |
| DESCRIPTION | <p>We will draw up an action plan to reduce accidents among loading employees at the El Chorillo terminal. The plan will entail the following activities:</p> <ol style="list-style-type: none"> 1. Preparing a histogram detailing the causes of accidents to have taken place in 2014. 2. Holding a workshop with the parties involved to analyze the different standpoints. 3. Preparing the plan. 4. Laying the plan before the Executive Committee and securing its approval. 5. Tracking via the Safety Committee for the Guayaquil plant. |
| INDICATOR | <ul style="list-style-type: none"> - Percentage of accidents investigated. - Number of presentations made to the Safety Committee for the Guayaquil plant. - Number of presentations before the Executive Committee. |

Risk management

| | |
|-------------|--|
| ACTION | Improving safety for our fleet in Ecuador in relation to the transport of liquefied petroleum gas (LPG). |
| DESCRIPTION | We will develop courses on defensive driving aimed at drivers of Repsol's LPG transportation fleet in Ecuador, while also improving the control system. |
| INDICATOR | <ul style="list-style-type: none"> - Number of defensive driving courses held. - Number of drivers who underwent the course. - Number of hours spent on training. |
| ACTION | Roll out the Hazard Management Plan. |
| DESCRIPTION | <p>We will study, develop, perform, control, implant and implement the working plan. The project envisages:</p> <ol style="list-style-type: none"> 1. Hazard Management Plans. <ol style="list-style-type: none"> 1.1. Updating and implementing the Hazard Management Plans. <ol style="list-style-type: none"> 1.1.1. Hazard Management Plan for Block 16. 1.1.2. Hazard Management Plan for Wati. 2. Bowties. <ol style="list-style-type: none"> 2.1. Develop the bowties of the Business Unit under the terms of the 2015 Hazard Management Plan. <ol style="list-style-type: none"> 2.1.1. Three [3] bowties developed by Repsol employees 2.1.2. Two [2] bowties planned. 3. Safety Case development. <ol style="list-style-type: none"> 3.1 Safety and Environmental Management at E&P has proposed developing, solely for 2015, rules governing the functioning of all critical safety-related elements flagged in the bowtie studies. 3.2. Continue developing the entire structure [five parts] of the Safety Case. This project will continue into 2016. <p>Details:</p> <ol style="list-style-type: none"> 1. Hazard Management Plans. 2. Bowtie [name of risk management methodology]. 3. Safety Case development. |
| INDICATOR | Percentage of compliance with the working plan in place. |

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 Ecuador has included 12 actions in the context of this Plan, in order to respond to some of these expectations.

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

ENVIRONMENT PROGRAM

Expectation:

Implement resource efficiency measures to reduce our reliance on energy, water and other resources and compare our performance in this regard with best practices and other benchmarks.

Expectation:

Reduce contamination, water use, waste generation and energy consumption.

Expectation:

Remedy the deficiencies in environmental management systems, ensuring that the concept of biodiversity and ecosystem services (BES) is covered.

Expectation:

Listen to the concerns of stakeholders and utilize their knowledge to prioritize actions related to BES (biodiversity and ecosystem services).

Expectation:

Invest in technologies and processes that will improve the Company's environmental performance.

Expectation:

Boost the company's proactiveness in applying safety measures to prevent spills.

Expectation:

Use the most advanced techniques to reduce atmospheric emissions and water and soil contamination.

Expectation:

Finance projects aimed at protecting biodiversity and reforestation.

Actions included in the program:

1. Identify, flag, evaluate, recover and monitor deforested areas at Block 16 and Tivacuno and their areas of influence, the aim being to minimize environmental legal contingency risk due to deforestation and attempt to restore the affected areas.
2. Press on with the ecological restoration project to mitigate the exploration and production impacts of Repsol Ecuador.
3. Evaluate the reduction in CO₂ emissions following elimination or minimization of the use of diesel and crude oil electrical generators at our operations in Block 16 and Shushufindi.
4. Transfer knowledge and good practices in handling waste to our liquefied petroleum gas (LPG) distributors.
5. Improve the global energy efficiency indicator at our operations.
6. Lower the atmospheric emissions associated with gas flaring at Block 16 operations.
7. Optimize the energy consumption at our operations by using gas for well testing purposes at the Wati field.
8. Implement minimum environmental performance requirements at Repsol (water management and drilling waste management).
9. Make improvements to the environmental management system at our liquefied petroleum gas (LPG) operations.
10. Reduce the amount of sludge generated from the inertization process carried out prior to the cylinder maintenance process.
11. Roll out the Integral Remediation Plan for the area affected by the diesel fuel spill at the Shushufindi site.
12. Roll out the Integral Remediation Plan for the area affected by the spill at Amo A, Block 16.

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

Biodiversity

| | |
|---------------------------|---|
| <p>ACTION</p> | <p>Identify, flag, evaluate, recover and monitor deforested areas at Block 16 and Tivacuno and their areas of influence, the aim being to minimize environmental legal contingency risk due to deforestation and attempt to restore the affected areas.</p> |
| <p>DESCRIPTION</p> | <p>We will carry out the following actions:</p> <ul style="list-style-type: none"> - Carry out a diagnostic of the affected areas that require reforestation, taking the path of the oil pipeline as a reference point, the areas deforested for environmental reasons and the facilities that must be recovered under the plan to vacate the area. - Conduct an inventory of the deforested areas and determine their dimensions and boundaries, all geo-referenced and implemented in graphical format. - Prioritize the areas to receive attention and define the working plan. - Define the reforestation process, with the process to include at least the following steps: <ol style="list-style-type: none"> 1) Selection of species 2) Recovery of the soil horizon 3) Plantation phases 4) Reforestation diagram 5) Follow-up and transplant requirements <p>ACTIVITY FOR 2016</p> <ul style="list-style-type: none"> - Proceed with the reforestation work, relying on the methodology and working plan defined for the areas flagged as priorities. [2016]. |
| <p>INDICATOR</p> | <p>Percentage of compliance with the working plan in place.</p> |

| | |
|--------------------|---|
| ACTION | Press on with the ecological restoration project to mitigate the exploration and production impacts of Repsol Ecuador. |
| DESCRIPTION | <p>We will continue to work on the ecological restoration project to mitigate the impacts of our exploration and production work. The projects pursues the following objectives:</p> <ol style="list-style-type: none"> 1. Train local communities living in the area to ensure that their use of natural resources falls within the sustainability parameters set out in the management plans for the Yasuni National Park and Waorani Reservation. 2. Controlling in a participatory manner the use of renewable and non-renewable resources used within Block 16. 3. Restore degraded areas with native species, using an experimental center with forest incubators as our base. |
| INDICATOR | Percentage of compliance with the plan. |

Climate change

| | |
|--------------------|---|
| ACTION | Evaluate the reduction in CO2 emissions following elimination or minimization of the use of diesel and crude oil electrical generators at our operations in Block 16 and Shushufindi. |
| DESCRIPTION | We will conduct a study to assess the reduction in atmospheric CO ₂ emissions as a result of the change of power generation to crude oil and diesel in relation to the power generated by the National Interconnection System. |
| INDICATOR | Engineering study delivered. |

Commercial relations

| | |
|--------------------|--|
| ACTION | Transfer knowledge and good practices in handling waste to our liquefied petroleum gas (LPG) distributors. |
| DESCRIPTION | We will give talks to our LPG distributors on how to manage waste properly. |
| INDICATOR | <ul style="list-style-type: none">- Number of hours given by client.- Percentage of distributors in attendance. |

Operating efficiency

| | |
|-------------|--|
| ACTION | Improve the global energy efficiency indicator at our operations. |
| DESCRIPTION | We will optimize energy consumption at operations located in Blocks 16 and 67 by improving injectivity and reliance on gas. |
| INDICATOR | BFPD/MW -D. |
| ACTION | Lower the atmospheric emissions associated with gas flaring at Block 16 operations. |
| DESCRIPTION | We will reduce the volume of gas burned in flare stacks, enabling us to harness the resource for generating energy at the Block 16 production sites. In 2015, we will bring about a 15% year-on-year drop in the volume of gas burned as a result of the production process by optimizing gas use to generate electrical power. |
| INDICATOR | % drop versus 2014 in the volume of process gas burned. |

| | |
|---------------------------|--|
| <p>ACTION</p> | <p>Optimize the energy consumption at our operations by using gas for well testing purposes at the Wati field.</p> |
| <p>DESCRIPTION</p> | <p>We will install a test separator, which will work at low pressure and which, once added to a compressor, will effectively work to reinject the gas, which can then be used to generate electrical power.</p> <p>This project will be divided into the following phases:</p> <ol style="list-style-type: none"> 1. Engineering; 20% 2. Acquisition of equipment; 20% 3. Electrical and mechanical assembly work; 20% 4. Commissioning and start-up; 20% 5. Evaluation: 20%. |
| <p>INDICATOR</p> | <p>Volume of gas measured in wells to have undergone testing.</p> |

Risk management and environmental impacts

| | |
|---------------------------|---|
| <p>ACTION</p> | <p>Implement minimum environmental performance requirements at Repsol (water management and drilling waste management).</p> |
| <p>DESCRIPTION</p> | <p>We will undertake the following actions in relation to both projects:</p> <ol style="list-style-type: none"> 1. Implement the Water Management Action Plan at B16. <ul style="list-style-type: none"> - Hydrogeological mapping and quantitative risk assessment (QAR) to gauge contamination of subterranean water. - Quality diagnosis-study of water resources at B16. - Water separation study at the retention ponds. - Mass balance of the water. 2. Management of drilling waste. <ul style="list-style-type: none"> - Characterization of the final disposal ponds for drill cuttings. - Measures to avoid lixiviation and percolation of the ponds with drill cuttings. |
| <p>INDICATOR</p> | <p>Percentage of compliance with the working plan in place.</p> |

| | |
|--------------------|--|
| ACTION | Make improvements to the environmental management system at our liquefied petroleum gas (LPG) operations. |
| DESCRIPTION | <p>We will roll out an environmental improvement program to allow us to keep our ISO 14001 certification. The program envisages the following milestones:</p> <ol style="list-style-type: none"> 1. Design internal audit plan. 2. Conduct internal audits. 3. Systemize the information compiled. 4. Present the information. |
| INDICATOR | <ul style="list-style-type: none"> - Number of internal audits conducted. - Number of non-conformities found. - Number of presentations before executive committee. - Number of plants that retain their ISO 14001 certification. |
| ACTION | Reduce the amount of sludge generated from the inertization process carried out prior to the cylinder maintenance process. |
| DESCRIPTION | <p>We will seek, select and implement a methodology and system enabling us to reduce the amount of sludge generated from the cylinder inertization process. The main actions of the project include:</p> <ol style="list-style-type: none"> 1. Controlling and recording the sludge generated. 2. Preparing a monthly report on sludge. 3. Workshop with the parties involved to eye up possible improvements. 4. Designing and implementing the plan. |
| INDICATOR | <ul style="list-style-type: none"> - Number of tons of sludge generated in 2015. - Frequency of sludge removal. - Average stock at the temporary storage center. |

| | |
|---------------------------|---|
| <p>ACTION</p> | <p>Roll out the Integral Remediation Plan for the area affected by the diesel fuel spill at the Shushufindi site.</p> |
| <p>DESCRIPTION</p> | <p>The plan envisions three main stages or periods, which we will implement in each area either in tandem or in sequence:</p> <ol style="list-style-type: none"> 1. Phase one involves the intensive elimination of the polluting material. It will focus on extracting the hydrocarbons that are more readily accessible. 2. Sustained extraction of the part most stubbornly present in the environment. Areas that are not yet classified as such should be avoided. We must similarly monitor concentrations over time and change technique accordingly if asymptotic results are observed. 3. Completion phase, involving the sustainable stimulation of natural regeneration mechanisms. |
| <p>INDICATOR</p> | <p>Percentage of compliance with the working plan in place.</p> |

| | |
|---------------------------|--|
| <p>ACTION</p> | <p>Roll out the Integral Remediation Plan for the area affected by the spill at Amo A, Block 16.</p> |
| <p>DESCRIPTION</p> | <p>We will carry out the following actions, all of which fall within the scope of the plan:</p> <ol style="list-style-type: none"> 1. Recovery of the soil horizon. 2. Reforestation of the area affected by the spill 3. Monitoring of reforestation based on indicators of the Environmental and Social Repair Program of the Ministry of the Environment. 4. Alternatives to ensure the natural degradation of the hydrocarbons present. 5. Half-yearly monitoring of water, land, sediment and biota. |
| <p>INDICATOR</p> | <p>Percentage of compliance with the working plan in place.</p> |

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 this Sustainability Plan for Repsol Ecuador, the Company has included three 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: ANTI-CORRUPTION AND ETHICS PROGRAM

| | |
|---|--|
| <p>Expectation: Implement properly documented risk-based due diligence pertaining to the hiring, as well as the appropriate and regular oversight of business partners.</p> | <p>Expectation: Train company employees on the ethical-behavior norms set forth in the company's Ethics and Conduct Code.</p> |
| <p>Expectation: Increase the awareness of employees, representatives, contractors and suppliers regarding corruption and how to combat it, providing them with training about existing control mechanisms and policies, professional ethics and compliance measures, and establishing disciplinary procedures.</p> | |
| <p>Actions included in the program:</p> <ol style="list-style-type: none"> 1. Conduct an audit of internal knowledge and raise awareness of Repsol's Ethics and Conduct Regulation. 2. Guarantee transparency and equity in the recruitment processes of the Repsol Ecuador business unit. 3. Roll out a mechanism for communicating with employees who do not have Internet access so as to bring their attitude and conduct in line with the company's ethical values and principles. | |

Specific information on each of the actions included in the Fair Operating Practices: Anti – Corruption and Ethics program of the current Plan is shown in the tables below, alphabetically arranged.

| | |
|--------------------|---|
| ACTION | Conduct an audit of internal knowledge and raise awareness of Repsol's Ethics and Conduct Regulation. |
| DESCRIPTION | We will launch a campaign to raise awareness of the online course in Repsol's rules of ethics and conduct and will evaluate existing awareness of the course. |
| INDICATOR | <ul style="list-style-type: none"> - Percentage of participation of over 75% [in SAP]. - Average general assessment result of over 70%. |

ACTION**Guarantee transparency and equity in the recruitment processes of the Repsol Ecuador business unit.****DESCRIPTION**

We will ensure that treatment of and relations with suppliers/contractors remain based at all times on equal opportunities (principle of equality enshrined in the corporate rules on procurement and contracting) and that all relevant actions or decisions carried out or reached during the negotiation process are duly documented.

INDICATOR

- Results of the corporate audits on the management of procurement and contracting.
- Percentage of contracts secured in tender processes with three or more valid bids.

ACTION**Roll out a mechanism for communicating with employees who do not have Internet access so as to bring their attitude and conduct in line with the company's ethical values and principles.****DESCRIPTION**

We will roll out a plan to remind all employees of the importance of the values, rules of ethics and conduct, and the corporate channels in place for reporting breaches of the ethical conduct expected of them.

We will investigate possible barriers to using these channels affecting certain employees who work outside the central offices.

We will design a fully functional, accessible and confidential whistleblowing channel.

INDICATOR

- Number of people to receive the refresher course.
- Number of people aware of the channel.
- Number of people who make use of the channel.
- Number of communications received through the channel.

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 this Sustainability Plan, 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: VALUE CHAIN PROGRAM

Expectation:

Include gender equality, environmental, social and ethical criteria in the contracting, distribution and procurement policies and practices to bring them more closely into line with social responsibility objectives.

Expectation:

Ensure that business is only contracted or subcontracted to legally recognised entities and those that are willing and prepared to assume the responsibilities of an employer and provide decent working conditions.

Expectation:

Take part in initiatives to develop sustainable practices along the company's supply chain.

Expectation:

Press for the Ecuadorian government to take measures to help develop and support the Waorani community and carry out projects to underscore the state's presence.

Expectation:

Actively help raise awareness in partner organizations of CSR issues and principles.

Expectation:

Manage the value chain responsibly. Stress the need to monitor and track the supply chain.

Expectation:

Ensure that a channel for direct dialog with the State is in place and maintain close ties with the government.

Expectation:

Fortify the company's relationship and dealings with the public-government realm.

Actions included in the program:

1. Promote social responsibility along the value chain of the liquefied petroleum gas (LPG) business in Ecuador.
2. Provide the network of distributors with information on good practices in the field of corporate responsibility.
3. Strengthen distribution channels (commercial logistics operators and distributors) for liquefied petroleum gas (LPG) in Ecuador.
4. Foster open dialog between the Company and government entities in aspects relating to corporate responsibility.
5. Help increase safety, environmental, ethical and human rights standards to further support the development of suppliers.
6. Set up controls to ensure that contractors comply with their legal, tax and labor obligations.

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

Commercial distributors

| | |
|-------------|---|
| ACTION | Promote social responsibility along the value chain of the liquefied petroleum gas (LPG) business in Ecuador. |
| DESCRIPTION | We will ensure that LPG transporters honor their employment obligations. |
| INDICATOR | <ul style="list-style-type: none"> - Number of transporters/total transporters. - Number of agreements reached and contracts signed. - Number of verifications/total transporters. |
| ACTION | Provide the network of distributors with information on good practices in the field of corporate responsibility. |
| DESCRIPTION | We will publish articles and news on our social responsibility actions in the Notigas Newsletter and will also send out e-mails to our network of distributors. |
| INDICATOR | <ul style="list-style-type: none"> - Number of news articles published. - Number of distributors contacted. |

| | |
|-------------|--|
| ACTION | Strengthen distribution channels (commercial logistics operators and distributors) for liquefied petroleum gas (LPG) in Ecuador. |
| DESCRIPTION | We will stage business talks to improve the skills and competences of commercial logistics operators and distributors, thus improving their commercial management and profits. |
| INDICATOR | Percentage of distributors and commercial logistics operators in attendance, man-hours of attendance, drop-out ratio. |

State bodies

| | |
|-------------|---|
| ACTION | Foster open dialog between the Company and government entities in aspects relating to corporate responsibility. |
| DESCRIPTION | We will reach out to Ecuador Estratégico to obtain further information on the assignment of oil revenues towards projects in communities directly affected by Repsol Ecuador. |
| INDICATOR | Documentation received by Ecuador Estratégico. |

Suppliers and contractors

| | |
|-------------|--|
| ACTION | Help increase safety, environmental, ethical and human rights standards to further support the development of suppliers. |
| DESCRIPTION | When rating and assessing suppliers, we will take into account the scores obtained in these categories with the aim of devising a joint improvement plan for those suppliers with poor ratings. |
| INDICATOR | Number of suppliers scored and assessed/Number of suppliers awarded contracts. |
| ACTION | Set up controls to ensure that contractors comply with their legal, tax and labor obligations. |
| DESCRIPTION | We will track and verify compliance with the obligations of contractors of ancillary services: catering and accommodation, security and surveillance, building cleaners. We will verify compliance with obligations by taking a sample of least two critical suppliers of specialized services. |
| INDICATOR | <ul style="list-style-type: none"> - Start-up of controls and identification of two suppliers of specialized services: April 2015. - Bimonthly follow-up reports for contractors of ancillary services. - Year-end report on the monitoring of contractors of specialized services. |

Program 8

Consumer issues

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

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

Furthermore, companies can achieve important objectives when promoting sustainable development, such as contributing to provide essential services to areas of the population that lack these, -something that is key for a company in the energy sector like Repsol-, and promoting products or information that allows for the evolution towards a more sustainable consumption model. They must also factor in to their business everything relating to customer care services, support and resolution of grievances and claims, and personal data protection.

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

Additionally, as part of the current Plan, the company has included one action in this subject which aims to respond to the principal expectations identified among stakeholders

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

CONSUMER ISSUES PROGRAM

Expectation:

Provide guidance to consumers on the proper use of products and advise them of the hazards associated with the envisaged or normally foreseeable use of the products.

Expectation:

Convey essential safety-related information to consumers.

Action included in the program:

1. Bolster management of the Maintenance Plan and communicate the scope of the plan to Repsolgas customers.

Specific information on the action included in the Consumer issues program of this plan is included in the table below:

| | |
|-------------|---|
| ACTION | Bolster management of the Maintenance Plan and communicate the scope of the plan to Repsolgas customers. |
| DESCRIPTION | We will inform clients of the existence and scope of the maintenance programs so as to increase the sense of safety and security while meeting our value proposition. |
| INDICATOR | <ul style="list-style-type: none"> - Number of maintenance visits paid. - Number of communications made/Number of clients to receive maintenance. - Number of after-sales leaflets with safety and maintenance parameters. |

Program 9

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 MAIN EXPECTATIONS TO WHICH THEY CONTRIBUTE TO RESPOND TO -

COMUNITY INVOLVEMENT AND DEVELOPMENT PROGRAM

Expectation:

Carry out social action and investment to further develop human capital.

Expectation:

Honor our commitment to creating jobs.

Expectation:

Contract and arrange more products from local suppliers.

Expectation:

In spite of new law, maintain the social programs that the company works on independently within the country.

Expectation:

Gauge the needs of people affected by our operations and coordinate the resulting action plans and social investment in Ecuador.

Expectation:

Consider placing priority on products and services of local suppliers and contribute to their development wherever possible.

Expectation:

Champion projects that recognize and draw attention to local culture and traditions.

Expectation:

Roll out initiatives to improve the capacities and opportunities of suppliers operating locally.

Actions included in the program:

1. Engage in social initiatives through the Repsol Ecuador Foundation to target the entire length of the secondary oil pipeline of Repsol Ecuador (extra Block 16).
2. Develop an infrastructure improvement plan to enhance community facilities for the local population of Santo Domingo.
3. Push towards the economic and social development of the communities that fall within the area of influence of Block 16 by improving local procurement and recruitment.
4. Carry out a corporate volunteering project to support education by working on a space lying close to our operations.
5. Promote the sustainable production development of families belonging to the Dikaro and Yarentaro communities in the southern area of Block 16.
6. Promote and support the cultural rescue of ethnic groups living in the Amazons.

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

Local content

| | |
|--------------------|--|
| ACTION | Push towards the economic and social development of the communities that fall within the area of influence of Block 16 by improving local procurement and recruitment. |
| DESCRIPTION | By championing local procurement and hiring, we will support the economic and social development of the communities lying within the area of influence of Block 16. |
| INDICATOR | Total purchasing from local suppliers/those based in Ecuador versus purchasing from international suppliers/those not based in Ecuador, broken down by goods and services and including total figures. |

Social investment

| | |
|--------------------|---|
| ACTION | Carry out a corporate volunteering project to support education by working on a space lying close to our operations. |
| DESCRIPTION | We will set up a group of volunteers to help improve schooling facilities at an educational center lying close to our operations at the Guayaquil plant. |
| INDICATOR | <ul style="list-style-type: none"> - No. of corporate volunteers involved. - No. of direct beneficiaries. - No. of indirect beneficiaries. - No. of people from the local community involved in the work. |

| | |
|---------------------------|--|
| <p>ACTION</p> | <p>Develop an infrastructure improvement plan to enhance community facilities for the local population of Santo Domingo.</p> |
| <p>DESCRIPTION</p> | <p>We will carry out the following actions: We will conduct a needs assessment with social players involved in the community. We will involve the local authorities. We will design an action plan aligned with available resources. We will carry out the work with volunteers from the community.</p> |
| <p>INDICATOR</p> | <ul style="list-style-type: none"> - Needs assessment drawn up with the community. - Preparation of a financing plan. - BU committee certificate detailing the resources to be invested. - Implementation of the work. - Unveiling of the work with the community present. |
| <p>ACTION</p> | <p>Engage in social initiatives through the Repsol Ecuador Foundation to target the entire length of the secondary oil pipeline of Repsol Ecuador (extra Block 16).</p> |
| <p>DESCRIPTION</p> | <p>We will address the needs and concerns of the local population living in the direct area of influence of the right of way for the secondary oil pipeline assigned to Repsol Ecuador, which spans roughly 102 kilometers from Pompeya to the city of Lago Agrío.</p> |
| <p>INDICATOR</p> | <p>One agreement/certificate signed.</p> |

| | |
|---------------|---|
| ACTION | Promote the sustainable production development of families belonging to the Dikaro and Yarentaro communities in the southern area of Block 16. |
| DESCRIPTION | We will roll out more family-based production projects in the Dikaro - Yarentaro community through the UEDO educational project and with the coordination and oversight of the community relations personnel of Repsol Ecuador. |
| INDICATOR | Bring about a 100% increase in the number of productive families in the Dikaro and Yarentaro communities. |
| ACTION | Promote and support the cultural rescue of ethnic groups living in the Amazons. |
| DESCRIPTION | We will devise and support a project to provide the Amazon region with programmed spaces and activities to rescue and recover the cultural hallmarks and vestiges of the indigenous people as a means of aiding in their development. |
| INDICATOR | One agreement/certificate signed. |

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

| | |
|--|----|
| Legal Notice | 2 |
| Corporate Responsibility Vision and preparation of this Plan | 3 |
| Stakeholders' expectations and the corresponding actions of the Plan | 6 |
| Program 1: Organizational Governance. | 6 |
| Develop a plan to improve ties with the local authorities of Santo Domingo, Bellavista and Montecristi, based on the dissemination of relevant business issues: safety systems, impacts on the local economy, ISO certifications, operating processes. | 8 |
| Disseminate good corporate responsibility (CR) practices to State institutions. | 8 |
| Encouraging and improving use of the website to provide information on Repsol's activities in Ecuador. | 9 |
| Improve the company's performance when it comes to reporting on its social, ethical and environmental impacts in Ecuador. | 9 |
| Provide information and improve knowledge of applicable law relating to employment, human rights and regulatory compliance among the management team at Repsol Ecuador. | 10 |
| Provide internal personnel with training in applicable law on hydrocarbons and oil and gas derivatives. | 10 |
| Raise awareness among employees of the 2014 Corporate Responsibility Report. | 10 |
| Raise awareness among employees of the 2015 Corporate Sustainability Report. | 11 |
| Reach out strategically to the key stakeholders of Repsol Ecuador. | 11 |
| Work to introduce all of Repsol Ecuador's business lines into the 2015 Corporate Responsibility Report for Ecuador. | 11 |

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| Programa 2: Human Rights | 12 |
| Commercial relations | 14 |
| Ensure that private security operations at Repsol Ecuador better incorporate and reflect the Voluntary Principles on Security and Human Rights. | 14 |
| Foster respect for human rights among our suppliers and contractors in Ecuador. | 14 |
| Gauge the extent to which Repsol employees working at the El Chorillo terminal of EP Petroecuador respect and observe human rights. | 15 |
| Incorporate a clause prohibiting child labor in contracts signed with liquefied petroleum gas (LPG) distributors. | 15 |
| Culture and management | 16 |
| Disseminate human rights to back office and operational staff across all plants and at the Duragas work center. | 16 |
| Indigenous communities | 16 |
| Improve training in preliminary open and informed consultation processes. | 16 |
| Security forces | 17 |
| Transfer knowledge and experiences on the subject of human rights to our stakeholders: national police. | 17 |
| Program 3: Labor practices | 18 |
| Company-employee dialogue | 20 |
| Implement an action plan to improve the workplace climate at Repsol Ecuador. | 20 |
| Promote internal communication and dialog with employees of Repsol Ecuador. | 20 |
| Culture, development and management | 21 |
| Conduct an audit of the management through commitments compensation process adopted by the company. | 21 |
| Develop a training program for internal facilitators to generate more critical knowledge. | 21 |
| Disseminate corporate practices and policies geared towards local human resources and which better serve employees. | 21 |

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| Implement the talent retention guide prepared in 2014 and subsequently approved and incorporated into our integrated management system (IMS). | 22 |
| Promote and strengthen corporate values at Repsol Ecuador. | 22 |
| Strengthen the non-monetary recognition model for Repsol Ecuador employees. | 23 |
| Employee health | 23 |
| Identify, control and mitigate the physical and mental health hazards detected in the studies conducted to date. | 23 |
| Promotion of diversity and reconciliation | 24 |
| Bring about a better work-life balance for employees that work at Block 16 and in the liquefied petroleum gas (LPG) business. | 24 |
| Foster the inclusion of women in Repsol business activities in Ecuador. | 24 |
| Program 4: Safety | 25 |
| Commercial relations | 27 |
| Improve corporate responsibility among our liquefied petroleum gas (LPG) suppliers in Ecuador, focusing on industrial safety aspects. | 27 |
| Improve the land transport safety of commercial distributors that load up at the Montecristi and Pifo plans. | 27 |
| Culture and management | 28 |
| Implement a plan to reinforce the need for safety in communities lying in the vicinity of the Santo Domingo and Bellavista plants. | 28 |
| Incident management | 28 |
| Prevent accidents through incident investigation. | 28 |
| Risk management | 29 |
| Improving safety for our fleet in Ecuador in relation to the transport of liquefied petroleum gas (LPG). | 29 |
| Roll out the Hazard Management Plan. | 29 |

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| Program 5: The Environment | 30 |
| Biodiversity | 32 |
| Identify, flag, evaluate, recover and monitor deforested areas at Block 16 and Tivacuno and their areas of influence, the aim being to minimize environmental legal contingency risk due to deforestation and attempt to restore the affected areas. | 32 |
| Press on with the ecological restoration project to mitigate the exploration and production impacts of Repsol Ecuador. | 33 |
| Climate change | 34 |
| Evaluate the reduction in CO2 emissions following elimination or minimization of the use of diesel and crude oil electrical generators at our operations in Block 16 and Shushufindi. | 34 |
| Commercial relations | 34 |
| Transfer knowledge and good practices in handling waste to our liquefied petroleum gas (LPG) distributors. | 34 |
| Operating efficiency | 35 |
| Improve the global energy efficiency indicator at our operations. | 35 |
| Lower the atmospheric emissions associated with gas flaring at Block 16 operations. | 35 |
| Optimize the energy consumption at our operations by using gas for well testing purposes at the Wati field. | 36 |
| Risk management and environmental impacts | 36 |
| Implement minimum environmental performance requirements at Repsol (water management and drilling waste management). | 36 |
| Make improvements to the environmental management system at our liquefied petroleum gas (LPG) operations. | 37 |
| Reduce the amount of sludge generated from the inertization process carried out prior to the cylinder maintenance process. | 37 |
| Roll out the Integral Remediation Plan for the area affected by the diesel fuel spill at the Shushufindi site. | 38 |
| Roll out the Integral Remediation Plan for the area affected by the spill at Amo A, Block 16. | 38 |

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| Program 6: Fair operating practices: Anti-Corruption and Ethics | 39 |
| Conduct an audit of internal knowledge and raise awareness of Repsol's Ethics and Conduct Regulation. | 40 |
| Guarantee transparency and equity in the recruitment processes of the Repsol Ecuador business unit. | 41 |
| Roll out a mechanism for communicating with employees who do not have Internet access so as to bring their attitude and conduct in line with the company's ethical values and principles. | 41 |
| Program 7: Fair operating practices: Value chain | 42 |
| Commercial distributors | 44 |
| Promote social responsibility along the value chain of the liquefied petroleum gas (LPG) business in Ecuador. | 44 |
| Provide the network of distributors with information on good practices in the field of corporate responsibility. | 44 |
| Strengthen distribution channels (commercial logistics operators and distributors) for liquefied petroleum gas (LPG) in Ecuador. | 45 |
| State bodies | 45 |
| Foster open dialog between the Company and government entities in aspects relating to corporate responsibility. | 45 |
| Suppliers and contractors | 46 |
| Help increase safety, environmental, ethical and human rights standards to further support the development of suppliers. | 46 |
| Set up controls to ensure that contractors comply with their legal, tax and labor obligations. | 46 |
| Programa 8: Consumer issues | 47 |
| Bolster management of the Maintenance Plan and communicate the scope of the plan to Repsolgas customers. | 48 |
| Programa 9: Community involvement and development | 49 |
| Local content | 51 |
| Push towards the economic and social development of the communities that fall within the area of influence of Block 16 by improving local procurement and recruitment. | 51 |

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| Social investment | 51 |
| Carry out a corporate volunteering project to support education by working on a space lying close to our operations. | 51 |
| Develop an infrastructure improvement plan to enhance community facilities for the local population of Santo Domingo. | 52 |
| Engage in social initiatives through the Repsol Ecuador Foundation to target the entire length of the secondary oil pipeline of Repsol Ecuador (extra Block 16). | 52 |
| Promote the sustainable production development of families belonging to the Dikaro and Yarentaro communities in the southern area of Block 16. | 53 |
| Promote and support the cultural rescue of ethnic groups living in the Amazons. | 53 |
| Process of updating the Plan | 54 |
| Actions Index | 55 |

