

Sustainability Plan 2017

Bolivia



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This Sustainability Plan includes a set of actions which, in whole or in part, go beyond what is required by law and are aimed to contribute to sustainable development. Participating companies of Repsol Group have the firm intention to undertake and fulfill them. However, they reserve the right to modify, postpone or cancel their implementation without incurring liability, but undertake to publicly justify these possible cases.

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Our vision of sustainability and the preparation of this Plan

Sustainable development, currently framed by the United Nations in its 2030 Agenda and its 17 Global Goals, is a responsibility shared by political, social, and economic agents that requires decisive action.

At Repsol, we contribute to sustainable development by seeking to satisfy the growing demand for energy, which is necessary for the fulfillment of people's fundamental rights, and by creating value in both the short and long terms. We maximize positive impact and minimize negative impact on society and the environment throughout our value chain by acting ethically and transparently. In doing so, we seek to comply not only with regulations in force but also with the main international standards.

Under these premises, the Company adopted a sustainability model in 2010, which includes ethical, environmental, and social considerations in our decision-making process, based on dialogue with stakeholders. We repeat this exercise every year, formally and systematically incorporating these concerns into our decision-making processes and translating them into public annual action plans: the Sustainability Plans.

Over the years, this valuable external learning process and internal cultural change has enabled us to evolve and strengthen our sustainability model, focusing on the most relevant matters. In turn, this has helped us to define our organization's path towards a more effective contribution to sustainable development.

As a reflection of this learning, the current model focuses on six priority axes that define long-term sustainability objectives and annual lines of action. These axes revolve around the following topics, which structure our Sustainability Plans.



Bolivia's 2017 Sustainability Plan includes 17 actions that respond to the expectations identified by the Company's stakeholders through a local study conducted in 2016. Among these concerns, we can highlight the need for greater transparency and better communication of our commitment to safety, the environment, and the communities in Repsol operations' area of influence; innovation focused on management and technological development; and dissemination of our best business practices among our commercial relations. We must respond to these concerns with a commitment that goes beyond the requirements of legislation in force.

Actions are framed within the axes of: Ethics and transparency, People, Safe operation, Management of resources and impacts, and Innovation and technology. The largest number of actions focus on the axis of People (7).

100% of the actions included in this Plan are linked to the performance-based compensation system for people working at Repsol, which shows the Company's unequivocal commitment to maximizing our contribution to sustainable development.



The actions that make up this Plan help support the United Nations' 2030 Agenda by addressing the following Sustainable Development Goals (SDG):



SDG 6. Clean water and sanitation. This plan gathers initiatives for an efficient use of water in our industrial operations, for a sustainable management (target 3).



SDG 8. Decent work and economic growth. This plan includes initiatives aimed at protecting labor rights and promoting a safe and secure working environment (target 8).



SDG 9. Industry, innovation and infrastructure. This plan includes innovation and technology development projects focused on the safety of operations and energy diversification (target 5) and a more efficient use of energy in our offices (target 4).



SDG 10. Reduced inequalities. This plan promotes social and economic inclusion in the areas where we operate, focusing especially on the most vulnerable groups (target 2).



SDG 12. Responsible consumption and production. This plan includes initiatives that focus on the adoption of sustainable practices (target 6) and on providing information and knowledge for sustainable development (target 8).



SDG 15. Life on land. This plan includes specific actions to ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests (target 1), and to reduce the degradation of natural habitats and halt the loss of biodiversity (target 5).



SDG 16. Peace, justice and strong institutions. This plan commits actions related to ethics, accountability and transparency (targets 5 and 6), ensuring inclusive and participatory decision-making (target 7), and respect for fundamental freedoms (target 10).



SDG 17. Partnerships for the goals. This plan includes actions supported by the creation of partnerships in the public, public-private and civil society to attain the different goals (target 17).



Ethics and transparency

We act with integrity in all countries in which we are present. Our ethical conduct includes strict compliance with both the letter and the spirit of the law.

On this axis, we establish the set of actions that ensure the Company promotes and encourages a culture of integrity and responsibility for all Repsol employees, as well as for our suppliers, contractors, and business partners.

We also define transparency and accountability as differential elements in the Repsol sustainability model. To be credible, it is essential to be consistently transparent.

In this Sustainability Plan, we have committed to actions that will help the Company overcome the challenges we have set for ourselves in this area while responding to the main expectations of the stakeholders.

ACTION	Contribute to improving the safety and environmental performance of the service providers in the assets operated by Repsol.
DESCRIPTION	We will hold three meetings with companies that provide services to reinforce joint management of social, environmental, health, and safety issues associated with the activities carried out in assets operated by Repsol. We will analyze their performance with the aim of verifying compliance with legal requirements and applicable Company requirements and the exchange of best practices.
INDICATOR	Three meetings held.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSINT TEXT	We have held three meetings with the Company's main contractors. This has resulted in greater commitment and involvement, as well as in a high level of participation in Repsol's safety and environment training processes, such as the dissemination and implementation of the 10 Basic Safety Rules.

ACTION	Publicize, on an institutional level, the commitments and programs acquired regarding human rights among organizations and professional associations.
DESCRIPTION	<p>We will disseminate the Company's commitments regarding human rights among the professional associations to which Repsol belongs in Bolivia, which include the following:</p> <ol style="list-style-type: none"> 1. Confederation of Private Businessmen of Bolivia (CEPB). 2. Bolivian Chamber of Hydrocarbons and Energy (CBHE). 3. Chamber of Industry, Commerce, Services, and Tourism of Santa Cruz (CAINCO). 4. Chamber of Industry, Commerce, and Services of Tarija (CAINCOTAR).
INDICATOR	Hold three meetings.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	In progress
CLOSINT TEXT	<p>We have carried out the dissemination of the commitments and programs acquired regarding the Human Rights at the executive level of the Bolivian Hydrocarbons and Energy Chamber (CBHE) and the Bolivian Confederation of Private Entrepreneurs (CEPB). The dissemination to the Chamber of Industry, Commerce, Services and Tourism of Santa Cruz (Cainco) is still pending, as is the follow-up with these institutions' steering bodies.</p>

ACTION	Accountability for Repsol's ethical, social, and environmental performance in Bolivia
DESCRIPTION	We will publish an Annual Sustainability Report for Repsol Bolivia and we will share it with the target audiences identified in the stakeholders relations plan.
INDICATOR	Publish an annual report.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	In progress
CLOSINT TEXT	We have published and distributed the 2015-2016 results to different audiences and we are currently drafting the 2016-2017 sustainability report, which will be distributed to stakeholders.

People

Our employees, communities, commercial relations, and customers are a primary axis in our sustainability model.

We know that the people that make up Repsol are our main competitive advantage and the key to becoming a sustainable company. We have a team of diverse, experienced, and committed professionals. We are committed to equal opportunities, the integration of people with disabilities, multiculturalism, a work-life balance, training and development, and attracting and retaining talent.

Business operations are carried out in an increasingly demanding and informed social environment, and companies strive to establish sound relationships with local communities, based on the principles of respect, cultural sensitivity, integrity, accountability, transparency, good faith, and non-discrimination. At Repsol, we work to build lasting relationships of trust with the different agents with whom we interact, especially the communities neighboring our operations.

At Repsol, we are committed to continuing to respect human rights, and this means preventing our activities from having negative consequences for the local people and, if such a thing does occur, doing everything possible to repair the damage done.

This Sustainability Plan includes a commitment to the following actions, in line with the lines of work that Repsol has set on this axis of sustainability.

ACTION	Apply due diligence in matters of human rights in the operations of Repsol Bolivia.
DESCRIPTION	We will update the human rights risk identification report in the Caipipendi and Mamoré blocks.
INDICATOR	Report delivered by December 31st, 2017.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	In progress
CLOSING TEXT	We have reviewed the results of the last assessment in operated areas and we are working on the adaptation of the bidding dossier, including the new projects.

ACTION	Apply the best international practices in the prevention and resolution of claims made by communities affected by our operations.
DESCRIPTION	We will update the claims management procedure available in Repsol Bolivia's operations, taking into account the recommendations of the guide developed by the International Petroleum Industry Environmental Conservation Association (IPIECA).
INDICATOR	Procedure delivered.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	In progress
CLOSING TEXT	We have continued with the registration of claims in operated areas and the procedure will be delivered upon validation by Corporate.

ACTION	Support the Bolivian Government and security forces in carrying out a project for publicizing the Hague Convention of 1954 for the Protection of Cultural Property in the Event of Armed Conflict.
DESCRIPTION	In compliance with a proposal made in 2016, we will sign an agreement with the Ministry of Cultures and Tourism to contribute to the project for identifying cultural property with the “Blue Shield” described in the Hague Convention (1954) as well as to the training of members of the Bolivian Army on the protection of cultural property indicated in the Geneva Conventions of 1949 and the Hague Convention of 1954 and its First Additional Protocols of 1954.
INDICATOR	Start the project of identification of cultural property.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	In progress
CLOSING TEXT	Before the end of this period, we have signed the respective agreement with the Ministry of Culture and Tourism. The implementation of the actions outlined in the project will be defined by the Ministry in 2018.

ACTION	Collaborate with the Private University of Santa Cruz de la Sierra to hold conferences on International Criminal Justice aimed at high-ranking authorities in the Government, the Judicial Branch, deputies, and high-ranking officers of the National Armed Forces.
DESCRIPTION	Continuing the collaboration started in 2016, we will hold the conferences in January and June 2017, in which the proposals for including war crimes and crimes against humanity in the Bolivian Criminal Code and the Military Penal Code will be presented. These conferences will be aimed at judges, public prosecutors, deputies of the Plurinational Legislative Assembly and high-ranking officers of the National Armed Forces.
INDICATOR	Hold two conferences on International Criminal Justice.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	During this period, we have held two training sessions in Santa Cruz and La Paz. The proposals to include war crimes and crimes against humanity in the new Bolivian Criminal Code were presented in both and are being taken into consideration.

ACTION	Contribute to training troops from Bolivian National security forces on human rights and international humanitarian law.
DESCRIPTION	<p>Continuing with the project started in 2015, we will provide training on human rights and international humanitarian law to 110 officers and non-commissioned officers from the Bolivian Army and 10 members of the Bolivian Red Cross.</p> <p>Following the signing of a cooperation agreement between Repsol and the Bolivian Air Force, 30 officers from this institution will join these courses.</p> <p>Upon completion, 13 training grants for the advanced course at the Institute for Humanitarian Law in San Remo (Italy) will be awarded.</p>
INDICATOR	<ul style="list-style-type: none"> - Signing of the cooperation agreement with the Bolivian Air Force. - Hold two courses on human rights and international humanitarian law in 2017. - Award 13 training grants to the most qualified students.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	<p>We have conducted 2 courses on Human Rights and International Humanitarian Law in Santa Cruz and La Paz, which were attended by 136 members of the Bolivian Armed Forces. Of these, 30 were from the Air Force, with whom the draft agreement is being reviewed. Since 2015, the number of commissioned and non-commissioned officers who received training in 6 courses has reached 482. This year we sent 12 scholarship recipients to San Remo, making a total of 31 trainees sent to Italy since 2015.</p>

ACTION	Create, formalize, and launch the Corporate Volunteering Plan in Repsol Bolivia Business Unit.
DESCRIPTION	We will carry out the necessary actions to create, formalize, and launch the Corporate Volunteering Plan in Repsol Bolivia with the collaboration of all the internal units involved in the project.
INDICATOR	Implement a program following the creation of the new Corporate Volunteering structure.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	In progress
CLOSING TEXT	We have reached the registration of 51 employees in Repsol Bolivia's Corporate Volunteering program, whose legal incorporation is underway. We registered the name Integra, and the final review of the rules and regulations is currently ongoing. Furthermore, we are carrying out the first project in support of Hogar San Lorenzo, with the participation of several volunteers.

ACTION	Develop social investment projects in collaboration with the public Administration and security forces.
DESCRIPTION	In compliance with the proposal made in 2016, we will provide the necessary material (decommissioned drill pipes - scrap metal) so that the Eighth Army Division Corps can proceed with the installation work. The Autonomous Municipal Government of Santa Cruz will be responsible for the technical management of the project and for providing materials for the foundation. The objective of the project is to prevent vehicles from accidentally falling into the drainage channels during the rainy season.
INDICATOR	Carry out the project for drainage canal signage.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Unfulfilled
CLOSING TEXT	We have insisted in the reactivation of the drainage channel signaling project in Santa Cruz, pending procedures by the Police Departmental Command with the Military High Command. We are waiting for a decision in this matter. As a Business Unit, we took all possible steps to complete this project.

Safe operation

In pursuit of our goal of Zero Accidents, we demand a high level of safety in our processes and facilities, paying special attention to the protection of people and the environment around us.

It is necessary to pay attention to the safety of both people and our processes. We employ a set of forward-looking actions that help us to control risks and prevent large industrial accidents.

We apply stringent measures during the design and maintenance of our facilities. We carry out periodical risk analyses following best practices at the international level, manage our response to emergencies efficiently, and provide appropriate training to our employees, thus strengthening our excellent safety culture.

However, when we speak about safety, we do not limit ourselves to our facilities but also refer to raising awareness among the suppliers and contractors we do business with. The launch and dissemination of the 10 Basic safety rules throughout the entire organization, to both employees and contractors, seeks to ensure that our supply chain meets the required safety standards.

Every year, the Corporate Executive Committee approves the sustainability goals. Safety is included with a weight of between 10% and 20% and has a direct impact on employees with performance-based compensation.

Below, we list the actions that show our commitment to safety and bring us closer to reaching our goal of Zero Accidents.

ACTION	Update the quantitative risk assessment for Repsol's Mamoré asset in Bolivia.
DESCRIPTION	We will update the assessment of risks that could affect the safety of people, facilities, and the environment of Repsol's Mamoré Asset as well as the mitigation measures, applying the Corporate Norm on Safety and Environmental Risk Management at industrial assets.
INDICATOR	Study report.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have issued the quantitative risk assessment that will support the definitions of actions to reduce the levels of risk where applicable.

ACTION	Update Repsol Bolivia's Emergency Response Plan.
DESCRIPTION	We will update the Emergency Response Plan for Repsol Bolivia to mitigate unforeseen events that have the potential to cause damage.
INDICATOR	Emergency Response Plan updated.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have updated the Emergency Response Plan. Subsequently, we conducted two drills exercises that allowed us to assess our responsiveness at different levels and identify improvement actions. The first drill was conducted in the field (level 1) and the second extended to the Business Unit (level 2).

ACTION	Design and implement the Hazard Management Plan.
DESCRIPTION	We will identify the environmental and safety impacts and risks of our activities, and will define control and recovery measures in the Annual Hazard Management Plan.
INDICATOR	85% compliance of the Hazard Management Plan.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have carried out the activities outlined in the Hazard Management Plan for the areas of occupational safety, industrial and environmental safety, meeting the Company's hazard management requirements. Progress was recorded at 93%, above the commitment made.

Management of resources and impacts

At Repsol, we share society's concern regarding the need to care for the environment in which we live. We seek to minimize the impact of our operations through adopting a low-emissions strategy, optimizing water management, reducing the contaminant load of spills, managing waste appropriately, improving spill prevention and response systems, and considering biodiversity a key component.

We've taken on the commitment to using the resources involved in our operations efficiently and in a more circular fashion. In 2016, Repsol set a new challenge: to seek opportunities in the Circular Economy that promote the sharing economy and represent an alternative to the linear economy of extracting, using, and throwing away.

This Sustainability Plan includes commitments to actions in line with the lines of work that Repsol has set on this axis of sustainability.

ACTION	Complete the gap analysis regarding the Company's environmental requirements.
DESCRIPTION	In 2017, we will compare the development of all new drilling projects against the environmental requirements established by the Company's internal regulations, adapted to international minimum environmental standards for hydrocarbon exploration and production operations.
INDICATOR	Gap analysis completed.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	In progress
CLOSING TEXT	We have coordinated the actions to carry out the gap analysis of the well Huacaya 2, which at the end of the reporting period was in the cleanup and testing phase. The report will be drafted in early 2018.

ACTION	Implement the Caipipendi Area Biodiversity Action Plan.
DESCRIPTION	We will continue to execute the actions of the Caipipendi Area Biodiversity Action Plan approved in 2015 for a period of five years, whose objective is to systematically manage biodiversity matters throughout the life cycle of the activities carried out in the Caipipendi Area, including the projects.
INDICATOR	85% progress on the Biodiversity Action Plan.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have implemented 87% of the Biodiversity Action Plan. Standout actions include the historical analysis of satellite images and the waste management and hunting, fishing, and stock farming management studies, which encompassed neighboring communities.
ACTION	Implement the Water Action Plan.
DESCRIPTION	The Water Management Plan comprises a series of actions aimed at improving the management of this resource with implementation foreseen over the course of five years. In 2017, all actions determined for the second year of execution will be carried out.
INDICATOR	85% fulfillment of the Water Action Plan.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have implemented 100% of the Water Action Plan. During this reporting period, we maintained water balance in our operations and started a hydrogeological survey in the Caipipendi Asset to understand the area's ground water recharge capacity.

Innovation and technology

A sustainable future requires companies that invest in science and technology to meet the current and future energy challenges through real solutions.

We believe in technological innovation as a way to build more efficient and environmentally sustainable energy systems. At Repsol, we are committed to building a partnership network with universities and research centers, promoting the implementation of ambitious ideas that enable us to confront the challenges we are facing to build a sustainable future, in line with our commitment to the environment.

This Sustainability Plan includes the following initiative.

ACTION	Collaborate with academic institutions in research projects in the influence zones of Repsol's activity in Bolivia.
DESCRIPTION	We will collaborate with the universities of Chuquisaca and Tarija in the departments in which the Caipipendi Block is located, in order to carry out research, local development, and technology transfer programs.
INDICATOR	Signing of two agreements with universities for the described aims.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	In progress
CLOSING TEXT	We have developed activities within the scope of the agreement with Universidad Autónoma Juan Misael Saracho, in Tarija, and we are working to conclude other agreements.

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.

