

Sustainability Plan 2017

Colombia



Contents

Our vision of sustainability and the preparation of this Plan	1
● Ethics and transparency	3
● People	7
● Safe operation	14
● Management of resources and impacts	16
Process of updating the Plan	17

Legal Notice

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 essential 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.



Colombia's 2017 Sustainability Plan is made up of 12 actions that respond to the expectations identified among the Company's stakeholders through the local study carried out in 2014. Among these we can highlight the need to facilitate communication and dialogue with the community, ensure respect for the human rights of vulnerable groups, promote the development of communities and companies around us, preserve biodiversity, improve the safety of facilities, and disseminate best practices among our commercial relations.

Actions are framed within the axes of: Ethics and transparency, People, Safe operation, and Management of resources and impacts. The largest number of actions focus on the axis of People (6), followed by that of Ethics and transparency (4).

Half 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 for Sustainable Development by addressing the following Sustainable Development Goals (SDG):



SDG 4. Quality education. The contribution to this goal focuses on increasing young people's skills to facilitate their access to employment (target 4).



SDG 8. Decent work and economic growth. This plan includes initiatives aimed at promoting the growth of small and medium-sized enterprises (target 3), respecting labour rights, and promoting a safe working environment (target 8).



SDG 10. Reduced inequalities. The Colombia Business Unit seeks to promote social and economic inclusion in the area around our operations (target 2).



SDG 12. Responsible consumption and production. This plan describes projects that have an impact on the adoption of sustainable practices (target 6) and on providing information and knowledge for sustainable development (target 8).



SDG 14. Life below water. The contribution to this goal focuses on the management and protection of marine ecosystems (target 2).



SDG 16. Peace, justice, and strong institutions. This plan includes a commitment to actions related to reducing violence (target 1), promoting ethics, responsibility, and transparency (targets 5 and 6), and adopting inclusive and participatory decisions (target 7).



SDG 17. Partnerships for the goals. This plan includes actions based on the formation of partnerships in the public, public-private, or civil society spheres (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 for as 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	Train our employees in relation to the new norm on transnational corruption.
DESCRIPTION	We will design and execute a training plan that will allow us to reach the largest possible number of our employees, disseminate the new norm on transnational corruption, and update the information contained in Repsol's Code of Ethics and Conduct.
INDICATOR	Perform at least one training session for Repsol's employees in Colombia on the prevention of transnational corruption and Repsol's Code of Ethics and Conduct.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have carried out the planned employee training. The training was held on November 16th and focused on the Compliance Manual, the transnational corruption norm, and the Business Ethics Program of Repsol Colombia.

ACTION	Disseminate the Sustainability Policy and new Code of Ethics and Conduct among our partners.
DESCRIPTION	Through Repsol's Sustainability Policy and Code of Ethics and Conduct we will disclose to our partners the Company's model of behavior in its activities and operations. In this manner we will strive to promote responsible behavior with its value chain and will contribute to the construction of solid and trust-based relationships with them.
INDICATOR	Remittance of a formal communication with our Sustainability Policy and our Code of Ethics and Conduct to our partners Ecopetrol, Oxycol, Statoil, Petrobras, Equion, Exxon, Pacific, and Amerisur.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have sent our partners Repsol's Sustainability Policy and Repsol's Code of Ethics and Business Conduct. The communication was made via email on Wednesday, July 12th.

ACTION	Disseminate the Sustainability Plan among our partners.
DESCRIPTION	Through Repsol's Sustainability Plan we will disclose how we act on our commitment to promote best practices in terms of sustainability and how we periodically review our performance. In this manner we will endeavor to influence our partners to continue to improve their standards, developing responsible behavior while contributing to the building of solid and trust-based relationships with them.
INDICATOR	Disseminate the Sustainability Plan.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have distributed the Closing Report for the 2016 Sustainability Plan and the 2017 Sustainability Plan to more than 320 people and/or entities included in our stakeholder database (partners, government, organizations, and communities). The communication was made via email on June 27th.

ACTION	Present the Strategic Plan of the Colombia Business Unit to the employees.
DESCRIPTION	We will inform the employees of the strategic lines of work of the Colombia Business Unit for 2017 and the coming years.
INDICATOR	Provide information about the general lines of the Business Unit's Strategic Plan to all personnel.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have presented the Strategic Plan for the Business Unit to our employees during a working breakfast that took place on July 7th.

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, multi-culturalism, 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	Define best security practices in our operations according to Voluntary Principles on Security and Human Rights.
DESCRIPTION	We will mitigate the human rights risk arising from our relationship with public and private security forces, before and during the execution of our operations. To this end, we will establish respect for human rights as a basic requirement for action in the definition of cooperation agreements with Military Forces for the development of our projects in Colombia. This requirement will be reflected in the text of the cooperation agreement.
INDICATOR	Include the commitment to respect human rights in a cooperation agreement with the Military Forces of Colombia.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have signed a cooperation agreement with the Colombian National Navy through the Ministry of Defense for the protection of the Siluro Well in the RC-11 block. Respect for human rights is a key element of this agreement. Additionally, we have carried out multiple training sessions on human rights: one with the National Navy, two with the National Army, and two with our staff members.

ACTION	Carry out human rights studies prior to entering operated areas with presence of indigenous communities.
DESCRIPTION	We will perform human rights impact studies in areas of operations with the presence of ethnic communities in order to identify the possible negative impacts on operations and implement the appropriate plans for mitigating negative impacts and promoting positive impacts.
INDICATOR	Perform a study on human rights.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have signed a cooperation agreement with the Regional Center in support of the Global Compact for the development of the human rights survey in the western sector of Block RC-12. This survey is being carried out with the indigenous Wayuu communities in the western area, and the final report is expected to be delivered in the first quarter of 2018 to be socialized with the communities and authorities.

ACTION	Develop a plan of action aimed at improving the work climate.
DESCRIPTION	We will define a plan with actions aimed at improving the work climate on the basis of the findings obtained in the focus groups created for this purpose. We will place special emphasis on the dimensions of recognition, professional development, and vision of permanence in the Company.
INDICATOR	Implement 80% of the action plan for improving the work climate.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have conducted 90% of the work climate improvement action plan actions scheduled for 2017.

ACTION	Strengthen relations with universities through internships.
DESCRIPTION	We will create internships or work experience placements for students from different universities, with the aim of giving them the opportunity to commence their career at Repsol Colombia.
INDICATOR	Complete internship programs, by two interns.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have offered internships to five scholarship recipients from three different universities.

ACTION	Put in effect the social management plan of the Colombia Business Unit in operations carried out in 2017.
DESCRIPTION	For each operated area, we will define the social management plan of the block, based on the guidelines of the social management plan of the Business Unit.
INDICATOR	Define a social management plan for an area of operation.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have drafted the Social Management Plan for Colombia, which will be the defining element for social investment in the different operated areas, seeking to ensure that any investment made in social matters is aligned with the Sustainable Development Goals. The plan's first implementation action was developed for the RC-11 block, and the plan for the RC-12 block is currently being prepared.

ACTION	Perform ethnological studies prior to entering operated areas with presence of indigenous minorities.
DESCRIPTION	We will perform ethnological studies that will allow us to characterize the ethnic communities, their cultures and customs, in order to foster better relations. We will identify their territories, social organizations, ethnic groups and problems relating to unmet basic needs. Lastly, we will build maps of actors and power relationships between the communities in order to plan the project, seeking to minimize cultural impacts.
INDICATOR	Perform an ethnological study in a block with presence of ethnic communities.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have updated the ethnological survey for indigenous Wayuu communities.

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	Continue to develop our local suppliers in operation areas through best practices programs in matters of employment and those related to industrial safety.
DESCRIPTION	Based on the results of supplier and/or contractor evaluations, we will identify areas for improvement where we can develop best practices through training and workshops. We will include an employment and industrial safety best practices component in our supplier development workshops.
INDICATOR	Organize a workshop for suppliers about best practices in matters of work and industrial safety.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have organized 25 workshops on best labor practices and industrial safety. A total of 51 employees from four local companies participated in the workshops.

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	Present the findings of the study on ecosystem services to the National Government.
DESCRIPTION	We will share the study of ecosystem services (methodology, findings, and proposed action plan) with the Office of Marine, Coastal, and Aquatic Resource Affairs (DAMCRA). We will offer our experience to develop a methodology for identifying ecosystem services in the offshore blocks that will facilitate the decision-making process regarding compensation for the loss of biodiversity in marine environments.
INDICATOR	Present a study on ecosystem services to DAMCRA.
	CLOSING TO THE ACTION AS OF 12/31/2017
STATUS	Fulfilled
CLOSING TEXT	We have presented the results of the ecosystem services survey. This presentation was made to representatives of the Colombian Government's environmental sector on December 12th.

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.

