

Sustainability Plan 2017

Peru



Contents

Our vision of sustainability and the preparation of this Plan	1
● Ethics and transparency	4
● People	12
● Safe operation	22
● Management of resources and impacts	26
● Climate change	31
Process of updating the Plan	33

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 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.



Peru's 2017 Sustainability Plan includes 25 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 aspects related to operations: managing safety, the environment, and community relations; promoting innovation and new technologies; and disseminating our corporate best practices among our commercial relations. We must respond to these concerns with a commitment that goes beyond compliance with the law in force and generates a greater "emotional" commitment to Peruvian society.

Actions are framed within the axes of: Ethics and transparency, People, Safe operation, Management of resources and impacts, and Climate change. The largest number of actions focus on the axis of People (9), followed by that of Ethics and transparency (7).

68% 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 3. Good health and well-being. Through an initiative aimed to the neighboring communities of our refining activities we are looking to contribute to the prevention and treatment of substance abuse, specifically harmful use of alcohol (target 5).



SDG 4. Quality education. The contribution to this goal focuses on initiatives to increase the technical and professional skills of the population to allow easy access to employment and promote economic development (target 4).



SDG 5. Gender equality. This plan contains actions to promote gender equality in the Company regarding working conditions, leadership and professional development that contribute to reaching this goal (target 5).



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 7. Affordable and clean energy. We contribute to improve energy efficiency through the use of renewable energy in our service stations (target 3).



SDG 8. Decent work and economic growth. This plan includes initiatives aimed at promoting the growth of micro-, small- and medium-sized enterprises (target 3), protecting labor rights and promoting a safe and secure working environment (target 8) and ensuring decent working conditions for all (target 5).



SDG 9. Industry, innovation and infrastructure. The collaboration with the administration for the development of necessary infrastructures for the development of neighboring communities contributes to the achievement of this goal (target 1).



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. The contribution to this goal is carried out through proposals for collaboration with our commercial relations, to have an impact on the adoption of sustainable practices (target 6) and to share information and awareness for the contribution to 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 a greater clarity and transparency in information provided about our activities.
DESCRIPTION	Through the Repsol Peru website (https://www.repsol.com/pe_es/), we will disseminate relevant information on Repsol Peru's activities. We will create a new section specifically for information on the Exploration and Production business in Peru.
INDICATOR	<ul style="list-style-type: none"> - Publish the Repsol Peru Sustainability report on the Repsol Peru website. - Publish the Annual Report of La Pampilla on the Repsol Peru website. - Create a new section for the Exploration and Production business on the Repsol Peru website.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have honored the commitment made to increase transparency in the information relayed to our stakeholders. We have published the Pampilla Annual Report on the Repsol Peru website in March and the Repsol Peru Sustainability Report in June. We also have created a section for the Exploration and Production business on the same website.

ACTION	Promote improvement of the social and environmental standards followed by service providers of the Peru Refining business.
DESCRIPTION	<p>We will carry out the following actions:</p> <ol style="list-style-type: none"> 1. Following the social and environmental survey conducted in 2016 on the business' "top 20 suppliers," we will request that companies identified as having a lower level of development or commitment work on the identified aspects that can be improved. 2. In biannual meetings with suppliers and contractors, we will publicize and promote our best practices on sustainability matters.
INDICATOR	<ul style="list-style-type: none"> - Four performance-monitoring actions on aspects that entail a low level of commitment. - Presentation on the evolution of Repsol's sustainability model in two general meetings with contractors.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	<p>We have conducted the four scheduled performance monitoring actions, focused on aspects with a lower level of engagement. We have held meetings to present the Repsol Sustainability Model to Refining and Marketing contractors in Peru, explaining the management model, the main programs, and their impact on society.</p>

ACTION	Create a greater internal awareness and knowledge of our value chain among managers of current contracts.
DESCRIPTION	We will make presentations to train managers of current contracts with the Exploration and Production business on sustainability issues. Among other topics, the meetings will deal with quality, subcontractors, and community relations.
INDICATOR	Delivery of the training presentation.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have carried out a sustainability training event aimed at those responsible for current contracts in the Exploration and Production business. This event was held on December 14th.

ACTION	Promote our principles regarding the environmental and social responsibility in the Camisea Consortium.
DESCRIPTION	<p>We will continue to honor our commitment to relinquish low-potential exploratory areas located in areas of high environmental and social sensitivity in Lot 88.</p> <p>As members of the technical group supervising the social investment program in Pisco, we will promote projects to improve the quality of education and health and to drive economic development in the region.</p> <p>We will work with our partner on a mutual commitment on emergency management in jungle operations.</p>
INDICATOR	<ul style="list-style-type: none"> - Establish new limits for Block 88 with Perupetro. - Actively participate in no less than six technical group meetings in 2017. - Sign an agreement for mutual support in the event of emergencies.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	<p>We have influenced the Camisea Consortium to return the areas of Block 88 that are not in production to Perupetro, reducing the dimensions of the block. We have carried out the Pisco Social Investment Program, sharing our experiences with the Camisea technical group over six meetings, promoting its follow-up and fulfillment. We have defined a mutual support agreement with Pluspetrol, which has been reviewed by both companies' legal departments and is expected to be signed in early 2018.</p>

ACTION	Maintain greater control of people with privileged information at the La Pampilla Refinery S.A.A. (RELAPASAA) in accordance with the Code of Conduct for the Stock Market.
DESCRIPTION	Each year, we will identify those people who have access to privileged information and request that they provide a sworn declaration stating a list of the number of RELAPASAA shares which are owned by them or by the people linked to them.
INDICATOR	Physical file of the received declarations.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have drafted La Pampilla Refinery new Internal Code of Conduct Norms in the Securities Market, approved at the board meeting of October 26, 2017. We have included the obligation of those people with access to the Company's privileged information to issue an annual statement, in the appropriate format and physically archived on December 31th, which includes the list of securities issued by La Pampilla Refinery that they or people connected to them hold.

ACTION	Promote and disseminate quarterly financial results of the La Pampilla Refinery among specialized media.
DESCRIPTION	We will include specialized press media in the conference call that communicates the quarterly financial statements from the La Pampilla Refinery. In addition, we will incorporate a highlight summary into the management report, which will serve as support for specialized media in preparing their news briefs.
INDICATOR	<ul style="list-style-type: none"> - Four conference calls inviting representatives of specialized media. - Four highlight summaries included in the management report attached to the publication of quarterly financial results.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have complied with the actions outlined to promote and disseminate the financial results of the La Pampilla Refinery to specialized media, securing their participation in all events to which they were invited. We have called the media four times — three via conference call and one in person — and included the summaries highlighted in the management reports that accompany the quarterly financial statements published.

ACTION	Have an influence on improving our value chain standards in the Exploration and Production business through greater knowledge, monitoring, and control of their practices in sustainability issues.
DESCRIPTION	<p>We will carry out the following actions:</p> <ol style="list-style-type: none"> 1. Surveys of the 30 main contractors to highlight social and environmental practices, with subsequent meetings with companies with unexpected results to influence the improvement of their standards 2. Controls of the subcontractors of the main contractors to know their environmental and social practices and compliance with tax obligations. 3. Audits of suppliers on sustainability and business processes.
INDICATOR	<ul style="list-style-type: none"> - Conduct a survey of the 30 suppliers. - Carry out at least 20 controls of subcontractors. - Two sustainability audits and two business certification audits.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have carried out all scheduled initiatives to improve the standards of our value chain. We have surveyed the 30 suppliers, carried out more than 30 subcontractor controls, and conducted two sustainability audits and two business certification audits.

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	Apply due diligence in matters of human rights to our operation in Lot 57.
DESCRIPTION	We will carry out a social baseline study on the area of direct influence of the Sagari project with the goal of discovering information that contributes to the analysis of the causes of changes or impacts on social, economic, and cultural aspects of the population of the Nuevo Mundo, Porotobango, and Kitepampani communities which are attributable to the project. In addition, this study will serve as input to design strategies for social investment with the communities.
INDICATOR	Study report.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have conducted the social baseline study, which has been fully completed in the Native Community of Nuevo Mundo and partially completed in the communities of Porotobango and Kitepampani. With this information, we have worked with a participatory approach and, with the help of a consulting firm, drafted a communal development plan to coordinate our social investment interventions.

ACTION	Contribute to the dissemination of the Voluntary Principles on Security and Human Rights among the personnel of the public security forces.
DESCRIPTION	We will promote educational campaigns on the Voluntary Principles on Security and Human Rights aimed at members of public security located in the Nuevo Mundo Lot 57 Camp, where Repsol carries out its activities.
INDICATOR	Carry out an annual training campaign.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have organized training sessions on Voluntary Principles and Human Rights to the Nuevo Mundo Military Base personnel stationed at Lot 57. Additionally, we have provided training to personnel from the National Police of Peru on the topics of human rights and the use of force at La Pampilla Refinery.

ACTION	Contribute to development and quality of life in the neighboring communities around our operations through educational programs for the integration of people and the promotion of values.
DESCRIPTION	We will revitalize the “ACEPTA” alcohol and drug prevention program (we will innovate by incorporating selected young people from Ventanilla, who are former students from two schools who participated in the program in 2016, into the work team). Likewise, we will have a greater presence in the “Overcoming Barriers” awareness program on disability issues (increasing the number of interventions with respect to those carried out in 2016).
INDICATOR	<ul style="list-style-type: none"> - ACEPTA program: training and hiring of five young people from Ventanilla who will participate in the program in the Manuel Seoane and Fé y Alegría 33 schools once a week. - Overcoming Barriers Program: at least 15 interventions will be carried out in 2017, compared to eight in 2016.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have met the objectives established to improve the development and the quality of life of the communities near our operations. With the ACEPTA program, we have trained 14 young people from Vantanilla. Six of them have led the motivational talks given at the Manuel Seoane and Fe y Alegría 33 schools. With the Overcoming Barriers program, we have held 25 presentations in different locations within the city of Lima, which were very well received.

ACTION	Facilitate a better quality of life for employees in Peru after termination of the employment relationship.
DESCRIPTION	We will promote that our employees know and use the benefits that correspond to them after their employment relationship with Repsol has concluded. We will improve their knowledge of the processes that must be completed in order to access them, through a communication protocol and a brochure that will be given to them.
INDICATOR	<ul style="list-style-type: none"> - Have a communications protocol and brochure on benefits upon cessation approved by the management of the People & Organisation division. - Deliver the brochure to 70% of employees upon the end of their employment relationship with Repsol (with the exception of those who leave their employment and expatriate staff), starting in June 2017.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have developed the protocol and primer for the communication of termination benefits to be given to employees. With this primer, employees will be informed of and have access to additional benefits after their employment relationship with Repsol has ended. They will also be able to make informed decisions about certain retirement and social security aspects. We have included it as part of the termination documents package given during the exit interviews.

ACTION	<p>Promote and participate in the execution of public works that are necessary for the communities influenced by operations of mining clients by means of the Works for Taxes mechanism.</p>
DESCRIPTION	<p>We will carry out the following actions:</p> <ol style="list-style-type: none"> 1. Together with our client (Minera), we will contact the local entity needing some work. 2. We will promote the benefit to the local community. 3. We will filter and assess publicized works and works to be executed. 4. If the work allows it, we will facilitate the use of Repsol products (fuels and/or asphalts) 5. We will assess executing works with current clients in the construction sector.
INDICATOR	<ul style="list-style-type: none"> - Execution of the chosen construction project. - Use of the tax deduction certificate. - Dissemination of the performed work to the media.
<p>CLOSING TO THE ACTION AS OF 12/31/2017</p>	
STATUS	<p>Unfulfilled</p>
CLOSING TEXT	<p>Together with our customer (Minera), we have contacted the local entity that may need public works carried out within the scope of the Public Works Tax Deduction mechanism, for the benefit of the local community. We have filtered and assessed the published list of public works to develop through the implementation of this mechanism for current customers in the construction sector, but failed to identify any feasible project that would allow us to carry out this initiative.</p>

ACTION	Have an influence on our employees' and suppliers' awareness of physical security in issues of security and human rights.
DESCRIPTION	We will carry out training campaigns on human rights issues aimed at company employees working at Lot 57. Likewise, we will carry out training campaigns on security and/or human rights for middle managers and guards from the companies that provide surveillance services.
INDICATOR	<ul style="list-style-type: none"> - An annual training campaign (Lot 57). - 10 annual training campaigns (service providers).
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have carried out a training campaign on the Voluntary Principles on Security and Human Rights for Company employees in the Kinteroni Asset, attended by 17 people. We also have carried out 13 training campaigns for supplier personnel, attended by 207 employees in Lima (La Pampilla Refinery) and Nuevo Mundo (Lot 57).

ACTION	Promote work-life balance for employees in Peru by boosting teleworking
DESCRIPTION	We will support and promote employee incorporation into the teleworking program, publicizing its scope and conditions. Likewise, we will conduct a satisfaction survey that measures its degree of acceptance among teleworkers.
INDICATOR	Increase teleworking satisfaction levels among teleworkers by 3%, measured by a survey.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have conducted the third teleworking job satisfaction survey and obtained a global indicator score of 8.14. There was an 11% improvement over the previous survey due to the improvements implemented in the facilities for teleworkers. This survey saw the participation of 208 people, including teleworkers and their managers and coworkers.

ACTION	Promote gender equality and non-discrimination in the workplace among Repsol Peru employees.
DESCRIPTION	<p>We will promote gender equality and non-discrimination through meetings with Repsol Comercial S.A.C. (RECOSAC) women's groups, in order to determine perceptions on equal working conditions, leadership, and professional development.</p> <p>Likewise, we will strengthen and assess the current perceptions of the RELAPASAA group that participated in the 2016 meetings.</p>
INDICATOR	<ul style="list-style-type: none"> - Hold three meetings at RECOSAC. - Present the report of conclusions and the Action Plan to the business management. - Execute 70% of the approved action plan. - Conduct a survey of RELAPASAA personnel who participated in the 2016 meetings on the perception of improvements as a result of actions taken.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	<p>We have promoted gender equality through the following actions: we have conducted three meetings with the women's groups of Repsol Comercial about non-discriminatory working conditions, leadership, and professional development; we have presented the conclusions report and action plan to senior management (70% already implemented); we have consolidated and assessed the current perception of the La Pampilla Refinery group who participated in the 2016 meetings.</p>

ACTION	Look after the physical integrity of Repsol Peru employees.
DESCRIPTION	We will conduct internal awareness campaigns using all available technological means, internal communications (repsolnet, newsletters), and digital signage.
INDICATOR	Conduct a quarterly communications campaign.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have carried out five prevention campaigns on matters of security aimed at employees, expatriates, and suppliers, using internal communication and loudspeaker messages. The campaigns have been focused on personal security, handling of valuables, security measures on the road, and increasing expatriate personnel's knowledge and awareness of traffic regulations.

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	Promote a culture and behaviors on safety matters by effectively communicating our best practices to our employees and other stakeholders in the Marketing, Distribution, and Exploration and Production businesses.
DESCRIPTION	<p>We will carry out communication actions focused on the following topics:</p> <ol style="list-style-type: none"> 1. Marketing and Distribution: prevention, control, maintenance, and risks in the event of emergencies to employees, partners, suppliers, refinery customers, terminals, and service stations. 2. Exploration and Production: identify and correct unsafe acts among personnel who work at the Kinteroni asset.
INDICATOR	<ul style="list-style-type: none"> - Marketing: number of communications carried out. - Distribution: organise five conferences/presentations to our customers and main stakeholders in Lima and provinces. - Exploration and Production: organise 15 conferences/presentations foreseen in the program.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	
CLOSING TEXT	<p>We have conducted four safety campaigns for Marketing employees and customers and five talks for Distribution customers and stakeholders, sharing safety and environmental best practices, prevention measures, controls, and processes. At Exploration and Production, we have shared the 10 Basic safety rules with more than 200 people in Kinteroni, including contractors and employees, and organized 39 office safety talks.</p>

ACTION	Strengthen the safety culture of Repsol contractors in Peru.
DESCRIPTION	<p>We will carry out the following actions:</p> <ol style="list-style-type: none"> 1. We will hold networking meetings between representatives from safety and environment (SE) of contractor companies and Repsol contract holders. 2. We will hold a meeting between the management of Repsol Peru and the senior management of contractors who have personnel working at our operation in Block 57 to disseminate Repsol's best practices on safety and environment.
INDICATOR	<ul style="list-style-type: none"> - Hold four status update meetings on SE between SE representatives from contractors and Repsol contract holders. - Hold a meeting between senior management of the company and contractors who have personnel at Lot 57.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	<p>We have held four safety and environment status review meetings (fixed wing, rotary wing, river transportation and constructions), which included senior management and contract holders. On November 24th, we have held a meeting between the Company's senior management and contractors with personnel in Lot 57.</p>

ACTION	Ensure the protection, traceability, and quality of our products, reinforcing control processes in our entire national distribution chain.
DESCRIPTION	We will continue with improvements to product control processes covering all the product movements at the national level with terminals - whether by ship or truck - as well as the stock in these terminals.
INDICATOR	Carry out a monthly control report with volume and quality indicators.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have added new controls to different processes and products at the national level, such as the indicator of loss percentage against tolerance levels. The controls confirm the volume and quality of the products, both in transfers by vessel and by tank, as well as the stock managed at the terminals. Additionally, we have optimized quality control for products aimed at the mining sector.
ACTION	Communicate general information on safety issues related to La Pampilla refinery operations.
DESCRIPTION	We will develop a third party communications plan on the risks they may face and actions in the event of an emergency.
INDICATOR	Fulfill 90% of the actions of the communications plan.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have reviewed all scenarios included in the risk assessment, prepared the documentation to be used in communication, and secured the services of a third-party company to direct that communication, thereby fulfilling 100% of the actions outlined in the communication plan, as scheduled.

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	Implement strategies to mitigate effects on biodiversity during construction of the Sagari project.
DESCRIPTION	We will carry out the identification of biologically sensitive areas; identification, recovery and transplanting of orchids and bromeliads; identification and implementation of canopy bridges to mitigate impacts on biodiversity, habitat fragmentation, and edge effects during construction of the Sagari flowline..
INDICATOR	Progress report from the field.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have developed and implemented an Early Warning System to mitigate the effects on biodiversity: (a) inventory, recovery, and relocation of 5,648 orchids and bromelias; (b) identification and preservation of sensitive biological areas; (c) protection of wildlife (213 actions for the displacement and relocation of animals with reduced mobility); (d) identification and preservation of canopy bridges; (e) control of invasive exotic species; and (f) forest inventory.

ACTION	Develop a communication strategy that allows for the dissemination of best environmental practices followed in the Sagari project to our main stakeholders.
DESCRIPTION	We will record and disseminate both internally and externally the main activities carried out to reduce/mitigate environmental impacts during construction of the Sagari flowline to the main stakeholders.
INDICATOR	<ul style="list-style-type: none"> - Development of the work plan. - Progress report.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have deployed the following communication strategy to disseminate Repsol's best environmental practices at Sagari: participation in discussions and conferences at universities (San Ignacio de Loyola, San Marcos, Antonio Ruíz de Montoya, Quillabamba); proposal for Cooperation Agreement between Repsol and the Ministry of Environment; creation of a video to promote environmental management; planning the publication of a guide in cooperation with the Ministry of Environment.

ACTION	Conduct a study of operational optimization on the effluent systems in the different refinery units and on the wastewater treatment plant for their sustainable management.
DESCRIPTION	We will analyze problems in water use in operations prior to the water's entrance into the wastewater treatment plant and we will assess the purification capacity of the wastewater treatment plant in different scenarios.
INDICATOR	Compliance with 90% of the program.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	We have fulfilled 90% of the plan. To this end, we have updated the water availability survey of the Chillón River basin to identify future supply difficulties; conducted the water balance survey, assessing technical and operational improvements to units; and identified improvements to the management of the wastewater treatment plan to optimize its efficiency and technical measures to adjust the quality of future effluents or for reuse as industrial water through tertiary treatment.

ACTION	Continue collaborating with the National Service of Protected Natural Areas (SERNANP) on the implementation of biodiversity conservation actions at Lot 57 and in the Machiguenga Communal Reserve (RCM) and its buffer zone.
DESCRIPTION	<ol style="list-style-type: none"> 1. We will share experiences and scientific knowledge in order to highlight the flora and fauna resources through the participation of SERNANP professionals in information gathering during the biological monitoring of Lot 57 and Repsol's contribution to the development and monitoring of the Master Plan for the Communal Reserve. 2. We will publish and disseminate the book with the results of the Study on Biodiversity and Ecosystem Services of the Machiguenga Communal Reserve (2014-2016).
INDICATOR	<ul style="list-style-type: none"> - Definition of the work plan with SERNANP. - Preparation of the project progress report. - Report for dissemination on the Study on Biodiversity and Ecosystem Services (2014-2016) to stakeholders. - Delivery of teaching material with information on the Study on Biodiversity (2014-2016) to stakeholders.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	Fulfilled
CLOSING TEXT	<p>We have disseminated the Machiguenga Communal Reserve biodiversity survey: publishing of the book "Machiguenga, una reserva para todos," with the participation of the Ministry of Environment and SERNANP and presentation in Quillabamba, Cusco; training for SERNANP personnel and internship in biological monitoring activities in Sagari; event for Repsol employees and their families; creation of dissemination materials; proposal for infographic on the archaeological and cultural heritage of Lot 57.</p>

Climate change

Repsol shares the concern regarding the effect of human activities on climate and the impact on global warming.

Our challenge is to supply safe, efficient, and accessible energy, reducing greenhouse gas (GHG) emissions from our facilities. To do so, we have made a commitment to use energy efficiently at our facilities and in our operations in order to preserve natural resources, reduce atmospheric emissions, and contribute to mitigating the effects of climate change. In this sense, we have implemented energy management systems according to the ISO-50001 standard at our facilities along with plans to reduce energy consumption and GHG emissions at the company level. In fact, with our current plan, we will achieve an annual reduction of 5 million metric tons of CO₂ by 2020, considering the reduction actions implemented since 2005. Energy efficiency is the main driving force behind these plans, supported by technology and innovation in our processes and operations.

We also work on solutions that enable society to enjoy a sustainable future with low GHG emissions. Even though all energy sources have their own importance in the energy mix, we promote natural gas as the most efficient solution to promote a structured transition to a low-emissions future, especially in electricity generation. Renewable energy sources will play an increasingly important role as their technological maturity enables them to become competitive. Likewise, in the medium-long term, carbon capture, use, and storage technologies will be crucial to achieving the goals of the Paris Agreement.

As proof of our commitment, Repsol has signed up for the Oil and Gas Climate Initiative (OGCI) in partnership with nine other companies in the Oil & Gas industry, with the goal of sharing best practices and technological solutions, as well as intensifying our investments in the fight against climate change. Thus, the OGCI Climate Investment fund was created, which will invest one billion dollars over the next 10 years to fund the development of technologies that can help to reduce GHG emissions.

Below, we list the actions in the Sustainability Plan related to this axis.

ACTION	Promote the use of solar panels for electricity generation at our service stations.
DESCRIPTION	We will carry out a pilot project for the installation of solar panels at service stations that generate electricity for the illumination of the store and the external area. We will assess and identify zones or regions with greater solar power potential.
INDICATOR	<ul style="list-style-type: none"> - Pilot project implemented in a service station. - Economic assessment for scaling completed.
CLOSING TO THE ACTION AS OF 12/31/2017	
STATUS	In progress
CLOSING TEXT	We have assessed the areas in Peru with the highest potential for the solar generation of electricity with photovoltaic panels. In the first economic assessment (April 2016), the project was not considered feasible due to the high solar panel costs and low electricity prices. In the second economic assessment (August 2017), we have obtained better results by reducing the cost of the panels, which will allow us to start up a pilot project in June 2018.

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.

