

# Summary of our performance in 2010



## 2010 indicators

<b>Economic</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Investments (millions of euros)	5,597	9,003	5,106
Investments in R&D (millions of euros)	83	75	71
Tax paid (millions of euros) <sup>(1)</sup>	16,341	13,890	16,168
Net profit (millions of euros)	2,555	1,559	4,693
Financial aid received from governments (millions of euros):			
- Net capital grants	108	124	110
- Operating grants	5	192	227
<b>Environmental</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Total energy consumption (10 <sup>6</sup> GJ)	322.56	312.78	298.65
Direct emissions of CO <sub>2</sub> equivalent (millions of tons) <sup>(2)</sup>	25.87	24.11	23.38
Marketing of biofuel (kiloton) <sup>(3)</sup>	278	660	1,449
Emissions into the atmosphere (combined): SO <sub>2</sub> , NO <sub>x</sub> , NMVOC, CO, particles (tons)	253,681	227,360	218,123
Hydrocarbons spilled which affects the environment <sup>(4)</sup> (tons)	3,173	994	923
Environmental investments (millions of euros)	263	246	137
External water withdrawal (thousands of tons)	118,815	115,266	115,805

(1) This amount includes tax paid, as well as collected from the Repsol YPF Group excluding Gas Natural Fenosa.

(2) In order to establish common bases for comparison over time, making it possible to determine the evolution of greenhouse gas emissions, the previous year's emissions have been adjusted in line with changes in the company's asset structure.

(3) The data from 2008 and 2009 was revised due to the inclusion of data from other countries apart from Spain.

(4) Spills greater than one barrel, including internal and external causes.

<b>Social</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Repsol employees (number)	36,302	33,633	36,323
Accident frequency rate <sup>(5)</sup> (Repsol and contractor staff)	1.8	1.4	1.2
Training in safety and occupational health (hours)	153,524	234,460	186,982
Fatalities	11	9	5
Persons covered by collective bargaining agreements (percentage)	63	62	62
Women on staff (percentage)	26	26	27
Women in management posts (percentage)	10	11	11
Women on the Board of Directors (number)	1	2	2
Employee turnover rate <sup>(6)</sup> (percentage)	8.48	7	8
Investment in training (millions of euros)	17.90	13.02	14.24
Training per employee (hours)	29.94	30.31	34
Repsol staff receiving performance evaluations (percentage)	36	39	44
Persons with disabilities on the staff (number)	422	544	599
Persons on staff doing telework (number)	130	516	691
Incidents concerning discrimination (number)	N.a.	0	4
Voluntary social investment (millions of euros)	28.32	30.25	29.99
Local purchases / total purchases (percentage) <sup>(7)</sup>	82.48	85.17	85.39
Evaluations of the performance of contractors and suppliers (number)	112	1,306	1,456
Audits on contractors and suppliers (number)	647	967	798
Expenditure on private and public security (millions of dollars)	N.a.	43.1	67.3
Litigation due to allegations of anti-competitive behaviour (Number of cases initiated) <sup>(8)</sup>	0	0	0
Communications received under the Ethics and Conduct Regulation (number) <sup>(9)</sup>	13	26	131
Dismissals related to failures to comply with the Ethics and Conduct Regulation (number)	N.a.	38	25
Complaints from customers (number)	N.a.	95,398	101,132

(5) No. of deaths plus accidents involving sick leave / million hours worked.

(6) Total persons leaving the company / total staff on December 31, 2010.

(7) The difference in the amount of purchases for the years 2008 and 2009 as compared to the difference facilitated in previous years is due to the fact that some orders underwent slight changes owing to the revisions made in the first months of the following year.

(8) See details in chapter on "Ethical conduct and combating corruption."  
There is no information on YPF.

(9) The 2008 and 2009 data includes the communications received by the Ethics Committee. That from 2010 includes the communications concerning the Ethics and Conduct Regulation received through several channels, including the communication channel with the Ethics Committee.

## Our progress against our 2010 objectives

2010 objectives	Degree of progress <sup>(10)</sup>
<b>REPSOL AND CORPORATE RESPONSIBILITY</b>	
Carry out our 2010-2012 Repsol Corporate Responsibility Plan.	We approved the 2012 Sustainability Plan, with 9 strategic programs and 61 actions.
Approve and implement the Corporate Responsibility Function Regulation, which implements the corporate responsibility management model at corporate, country, and main operating center levels.	During 2010, the Corporate Responsibility Function Regulation was developed and is currently in the process of approval.
Set up corporate responsibility committees in Spain, Argentina, Ecuador, and Peru.	During 2010, we worked to develop the functions and units comprising the national Corporate Responsibility Committees in Spain, Argentina, Bolivia, Ecuador, and Peru, which will hold their first meetings during 2011.
Approve company guidelines on communicating with stakeholders.	We drew up draft guidelines for dialogue with interested parties.
Develop the Repsol stakeholder map at corporate level.	During 2010, we developed the Corporate Reputation Strategic Plan, including a corporate level stakeholder map.
Identify Repsol investors that apply ESG (environmental, social, and governance) criteria and define an action plan to engage with them.	During 2010, we worked to identify high-priority investors in our company that incorporate sustainability considerations in their investment policies and criteria.
<b>INCREASING OUR COMMITMENT TO SAFETY</b>	
Continue taking action to improve safety, including safety training and awareness-raising programs, among others.	The lost time injury frequency rate for our employees and contractors fell by 14%, fulfilling our previously established annual objective. We gave a total of 186,982 training hours on health and safety in the workplace, extending to 35% of our workforce.
Adapt our analysis of industrial risks to the new risk management policy on environmental safety of industrial assets.	Our internal regulations for safety and environmental risks in industrial assets were approved. We developed plans in our business units to adapt company installations to the requirements set out in the new policies.
Continue our review and ongoing improvement of the company's safety management system.	49 new centers or activities were certified according to the OHSAS 18001 international standard. We have updated our internal regulations on the investigation of incidents and the computer tools that support them.

(10) More information on the degree of progress regarding each objective may be found in the corresponding chapter of this report.

2010 objectives	Degree of progress
<b>PROMOTING A LOW CARBON STRATEGY</b>	
Reduce our CO <sub>2</sub> equivalent emissions by 273,000 metric tons in 2010, as part of the strategic reduction objective for the period 2005-2013.	We reduced our emissions by 385,556 tons of CO <sub>2</sub> equivalent. Our total reduction from 2006-2010 amounted to 1,612,819 tons (65% of the total of the 2005-2013 strategic objective).
Extend ISO 14064 verification to other activities of the company, to the inventory of greenhouse gases (GHG) and to reduction-related activities.	We extended certification to the La Plata and Luján de Cuyo (Argentina) refineries. With this new scope, the company has already carried out 69% of its annual CO <sub>2</sub> inventory, and 100% of the CO <sub>2</sub> reductions quantified in 2010 were verified according to this standard.
Continue to develop our energy efficiency programs and audits.	We have worked to execute our business units' action plans. We carried out energy efficiency audits in plants at 8 industrial refinery centers, 4 chemical centers and 8 exploration and production centers at global level, at 2 LGP bottling factories and at more than 250 service stations in Spain.
Distribute one million metric tons of biodiesel.	Our global distribution of biodiesel (FAME) <sup>(11)</sup> amounted to 1.2 million tons.
Carry out a second industrial test for producing 'green diesel' from a hydrodesulphuring refinery unit.	A second industrial test was carried out on the coprocessing of vegetable oils at the Cartagena refinery, within the framework of Plan E, enabling us to make progress in its recognition as a biofuel.
Cultivate microalgae crops at pilot plant scale at a refinery. Continue our participation in the SOST CO <sub>2</sub> project <sup>(12)</sup> .	We commissioned the first pilot plant (three cubic metres) to cultivate microalgae crops beyond the laboratory level. A first crop without carbon enrichment was grown on a small scale with high-performance results. We built an installation to study the net flows of CO <sub>2</sub> between biomass and the environment.
Undertake studies on carbon capture in the Cartagena refinery, CO <sub>2</sub> transport technologies, the application of technologies for CO <sub>2</sub> capture and storage in the upstream business, and studies on CO <sub>2</sub> and subsoil.	We completed studies on carbon capture for the five refineries in Spain, a feasibility study of the transport of CO <sub>2</sub> in methane tankers, and a detailed study of the Spanish subsoil to identify structures which might be used for the geological study of CO <sub>2</sub> .
Support transport electrification through agreement with the <i>Ente Vasco de la Energía</i> (EVE), the Basque Government's energy agency, to evaluate the technical and economic feasibility of creating a recharging network for electric vehicles in the Basque Country.	The feasibility study concluded, culminating with the creation of the company IBIL, Gestor de Carga de Vehículo Eléctrico, S.A., with a 50% stake held by Repsol and by EVE.
Integrate renewable energy into our activities through creation of a specific portfolio on renewable energy technologies.	We set up the Department of New Energy Technology with a portfolio of projects including bioenergy, carbon capture and storage of CO <sub>2</sub> and other alternative technologies such as fixing CO <sub>2</sub> in biomass, emerging technologies for renewable electricity generation and electrical energy supply systems, the recharging and storage of electricity for hybrid and electric vehicles.

(11) Fatty Acid Methyl Ester is the most widely used biodiesel. It can be mixed in different proportions of diesel or used directly in combustion engines.

(12) For more information please see the chapter *Promoting a low carbon energy strategy*.

2010 objectives	Degree of progress
<b>MINIMIZING ENVIRONMENTAL IMPACTS</b>	
Continue to implement our programs to reduce volatile organic compounds in our business.	We carried out programs to detect and eliminate leaks in our new refineries in Spain, Argentina, and Peru and in four of the eight company chemical plants in Spain and Argentina.
Continue our actions to reduce hydrocarbons spills.	We have approved new internal regulations for the management of sea and river spills. We are starting up Comprehensive Plans to prevent spills in exploration and production activities in Argentina and in the maritime area of Tarragona.
Continue to implement our water optimization programs in other company centers.	We carried out programs in eight of the new refineries in Spain, Argentina, and Peru, and in two chemical plants in Spain and Argentina.
Continue to develop our Biodiversity Action Plans (BAP).	We have been working to extend the BAPs developed in blocks 57 (Peru), 16 and Tivacuno (Ecuador) and in the offshore activities in Trinidad and Tobago. We have initiated the design of new BAPs in the Auca Mahuida Vulcano and Llancanelo (Argentina) areas and in the Caipipendi (Bolivia) block.
Identify and evaluate possible strategic relationships with international organizations.	We have been undertaking analysis of several projects with NGOs and/or with the public administration, in collaboration in some cases with the Repsol Foundation.
Carry out biodiversity actions and apply related policies throughout all our businesses.	We have been taking focused actions to consolidate the requirements included in our corporate policies and broadening our knowledge of the importance of biodiversity in our activities. To this end, we have been holding a conference with specialists from the Ministry of the Environment, Rural and Marine Affairs of Spain to exchange good management practice.
Improve the identification, prevention and minimization of impact on biodiversity in our activities.	We held four workshops in Spain and Argentina to involve people from all our businesses to identify improvements in our environmental management in sensitive areas.
Continue our ongoing reviews and improvements to the company's environmental management system.	We have certified 12 new centers according to the ISO 14001 standard. We have approved new internal policies for safety and environmental risks in industrial assets of the company.
<b>ETHICAL CONDUCT AND COMBATING BRIBERY</b>	
Reinforce communication and promote employee training in our Ethics and Conduct Regulation.	We are carrying out programs to detect and eliminate leaks in our new refineries in Spain, Argentina, and Peru and in four of the eight company chemical plants in Spain and Argentina.
Promote the EITI initiative among the host governments of the countries where Repsol operates.	In Peru we continue our participation in the group working to support Peru becoming a compliant country.

2010 objectives	Degree of progress
<b>RESPECT FOR HUMAN RIGHTS</b>	
Develop our actions in line with the Voluntary Principles on Security and Human Rights (VPs).	We have worked to define minimum requirements of ethical and human rights conduct in our selection criteria for security suppliers, to include human rights clauses in contracts signed after 2010 and to provide training in human rights.
Continue training Repsol staff in human rights, especially management, new employees, key staff in our upstream business, Corporate Safety and Purchasing and Contracts.	In 2010 we provided human rights training to professionals from purchasing and contracting, safety, health, environment, engineering, technology, and new professionals joining the company.
<b>PEOPLE AT REPSOL</b>	
Increase our reporting of key indicators at country level and harmonize them with those reported in Spain, including absenteeism by country. Adopt benchmark indicators for employer responsibility on employees' family issues.	In 2010 we made progress in the information we collect, including more indicators reported by country, such as: partially retired staff; reduction of the working day and part time; executives and technical heads by country; Repsol employees represented on Health and Safety Committees; index of occupational diseases.
Promote the employment of disabled people in the countries outside Spain where the company is present.	In 2010 our disabled personnel increased by 10% from 2009.
Put in place measures related to work-life balance in the countries outside Spain where Repsol has a presence.	On December 31, 2010, Repsol had 691 teleworking employees, a 34% increase from 2009. New relevant measures were also analyzed, such as flexible timetables and improved time management.
Enhance our employee support efforts and set up a formal system for processing suggestions and complaints.	We created an opinion form called "Help us to improve. Give us your opinion" and posted it on the Intranet. This gives employees a way to communicate any suggestions and complaints.

2010 objectives	Degree of progress
<b>LOCAL COMMUNITIES</b>	
Carry out a study to establish the degree to which Repsol's operations have a social impact on indigenous communities in Bolivia and Peru.	In 2010 we carried out studies on our operations' interaction with indigenous communities in Peru and Bolivia.
Raise awareness of our regulation on indigenous communities among our partners and contractors.	We worked to promote our Policy on Relations with Indigenous Communities among our employees and suppliers in Bolivia, as well as communicating it to neighboring communities in our areas of operation.
Approve our Corporate Social Investment Guidebook.	Based on the London Benchmarking Group methodology, we drew up draft internal policies for reporting on social investment and guidelines for strategic planning of social investment. Both will be approved in 2011.
Approve our Corporate Policies for Environmental, Social and Health Impact Assessment (ESHIA), to be applied worldwide by all units in the company.	During 2010, the Safety and Environment, Health and Corporate Responsibility units of Repsol have worked to develop these new Policies. We expect to approve them for use during the first half of 2011.
Undertake a study to measure social investment achievements and impact, as part of our participation in the London Benchmarking Group (LBG).	Repsol, together with other Spanish companies, participated in a program to develop measurement systems for social investment impacts. This program was convened by the LBG in the United Kingdom and draws on the experiences of all companies in the working group. Work will continue on the development of a common methodology during 2011.
<b>PARTNERS, SUPPLIERS, AND CONTRACTORS</b>	
Improve our supplier management system to report the results of our rating and audit processes applied to suppliers and contractors.	During 2010, we incorporated into our supplier system the obligation to state the reasons for a company being denied approval to supply us. As this modification was made mid-year, we do not have significant data yet.
Complete our review of our corporate responsibility policies governing supplier management.	We completed our review of Repsol policies on purchasing and contracting, and the ethical and human rights aspects were strengthened.
<b>OUR CUSTOMERS</b>	
Increase customer satisfaction levels and reduce the number of complaints.	During 2010, we took action to reduce complaints and improve Repsol customer satisfaction. The satisfaction index increased in large parts of our business.
Increase the number of disabled-accessible service stations.	In 2010 we increased from 81 accessible stations to 291.