

Sustainability Plan 2015

Repsol Sinopec Brasil



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Disclaimer

The 2015 Sustainability Plan for Repsol Sinopec Brasil includes a set of actions designed by the Company and aimed at contributing to sustainable development. Repsol undertakes to fully implement those actions specified in the Sustainability Plan that are required by law, reserving the right to modify, postpone or cancel the rest of the voluntary actions, which does not imply the assumption of any liability whatsoever by Repsol.

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Corporate Responsibility

Vision and preparation of this Plan

Sustainable development is a responsibility shared by political, social and economic actors that requires decisive action.

At Repsol we understand Corporate Responsibility to be the contribution made by large companies to sustainable development. We consider that the essence of Corporate Responsibility is the incorporation of environmental and social aspects into the decision-making processes of organizations.

We contribute to development by supplying energy that is essential for the realization of people's fundamental rights.

Additionally, we aspire to contribute to this sustainable development through our vision of Corporate Responsibility, the responsibility we voluntarily assume. This goes beyond the legal requirements regarding the impact that our activities may have on society and the environment. We thus respond to our stakeholders' expectations regarding our activities by implementing practices that maximize positive impacts and prevent, mitigate, repair or offset negative ones.

We have identified the expectations that our stakeholders have on issues related to governance, respect for Human Rights, labor practices, environmental impacts and the legitimacy of our operating and value chain practices; and concerning issues that affect the consumers and users of our products and services, as well as the positive and negative impacts that could be generated in local communities.

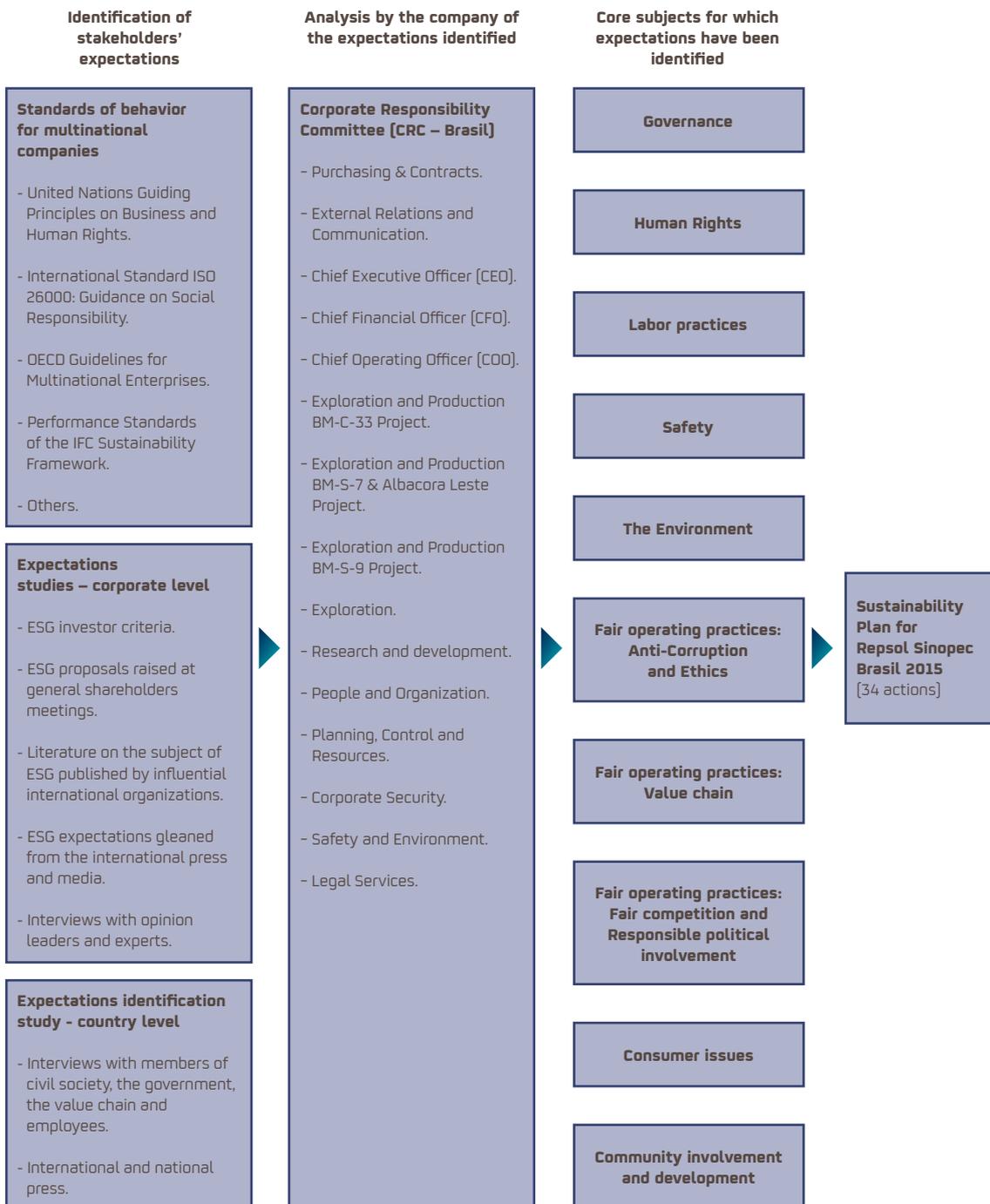
The identification of these expectations at a global level has been carried out through an analysis of four international standards that currently make up the broadest international consensus on acceptable behavior for a multinational company.

In addition, we have developed an *expectations study*, or relevant issues study, for the company's corporate-level stakeholders, both at corporate and country-level. The studies focus on aspects concerning the way the company is managed and also on environmental, social and governance (ESG).

After an analysis and consolidation process, the results were studied by the Corporate Responsibility Committee of Repsol Sinopec Brasil, presided by the Director of the Repsol Business Unit in Brasil, which is made up of executive-level representatives of the different business and corporate units in the country.

This exercise has enabled us to formally and systematically introduce the expectations of Repsol Sinopec Brasil's stakeholders in the Company's decision-making processes, which is essential to Corporate Responsibility.

-INTRODUCTION OF STAKEHOLDERS' EXPECTATIONS INTO THE COMPANY'S DECISION-MAKING PROCESSES-



The result of this analysis is the current Sustainability Plan for Repsol Sinopec Brasil 2015, which is a public document, the degree of compliance of which will be assessed annually and reported to the company through an annual follow-up report.

This Plan consists of 34 specific short-term actions (2015) with its corresponding implementation indicators, grouped in seven of the 10 programs described in the above table, inspired in the core areas of corporate responsibility described in the ISO 26000 International Standard: Guidance on Social Responsibility. These are the areas in which companies have the greatest ability to generate ethical, environmental and social impact.

With respect to the programs, those concerning Labor practices, Community involvement and development, and Fair operating practices: Anti-Corruption and Ethics have the greatest number of actions:

-DISTRIBUTION OF THE ACTIONS OF BRASIL'S 2015 SUSTAINABILITY PLAN BY ACTION PROGRAMS-

Program	Number of actions
Governance	1
Labor practices	9
The Environment	3
Safety	3
Fair operating practices: Anti-Corruption and Ethics	7
Fair operating practices: Value chain	2
Community involvement and development	9

The 2015 Sustainability Plan for Repsol Sinopec Brasil 2015 is not the Repsol Group's only contribution to sustainable development, but is complemented with the actions considered in the Corporate Sustainability Plan and those confined to certain countries or operating sites included in our respective sustainability plans.

Stakeholders' expectations and the corresponding actions of the Plan

Program 1

Governance

Organizational governance is the system the company uses to make and implement decisions to achieve its objectives. It is therefore a decisive factor when it comes to integrating Corporate Responsibility principles into all of its activities and transmitting them to its value chain.

It addresses issues related to the highest governing body of the Company; the efficient use of financial, human and natural resources; transparency and accountability; the legal and internal compliance rules of the company, all with the maximum involvement and commitment of the leaders of the organization.

In order to fulfill its stakeholders' Governance-related expectations, the Repsol Group has specific management systems in place, which can be consulted on its corporate website **repsol.com**

Additionally, Repsol Sinopec Brasil has added one action to this Sustainability Plan with which it aims to reinforce its response to the main expectations, as indicated below.

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

GOVERNANCE PROGRAM

Expectation:

Facilitate information in a practical, non-technical manner, establishing two-way communication channels with the public.

Expectation:

The ethical, social and environmental conduct of companies should be underpinned by ethical and transparent relationships with all their stakeholders.

Expectation:

Ensure that accurate information is published about all relevant aspects of the Company's activity, within the appropriate time frames.

Action included in the program:

1. Maintain a single and transparent discourse about our activities in Brazil.

Specific information on the action included in the Governance program of the current Plan is included in the table below.

ACTION	Maintain a single and transparent discourse about our activities in Brazil.
DESCRIPTION	We will improve communications about our activities in Brazil in our institutional media.
INDICATOR	<ul style="list-style-type: none">- Publications on Internet and in the digital magazine Repsol Sinopec Informa.- Monthly Repsol Sinopec Informa newsletters.

Program 2

Labor practices

The term labor practices encompass all policies and practices related to the work performed within, by or on behalf of the company, such as the working hours, remuneration, the recruitment and promotion of workers; disciplinary and grievance procedures; the transfer and relocation of workers; the termination of employment, training and skills development, and health, safety and industrial hygiene.

Labor practices also include representation and participation in collective bargaining, social dialog and tripartite consultations to address social issues related to employment.

In order to fulfill the expectations of its stakeholders in relation to labor practices, the Repsol Group has specific management systems in place, which can be consulted on the corporate website repsol.com

Said systems are reinforced by the nine individual actions that Repsol Sinopec Brasil has included in the context of this Plan. These are aimed at responding to the principal expectations of the company's stakeholders, as indicated below.

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

LABOR PRACTICES PROGRAM	
<p>Expectation: Provide employees with suitable training about all relevant areas that affect their occupational health and safety.</p>	<p>Expectation: Promote the retention of talent through non-monetary incentives, career development plans, etc.</p>
<p>Expectation: Promote consultation and cooperation between employers and employees and their representatives, in issues of mutual interest.</p>	<p>Expectation: Have suitable resources in place to ensure the well-being and health of employees.</p>
<p>Expectation: Provide good salaries and suitable working conditions.</p>	<p>Expectation: Encourage respect and equality among employees, with special focus on persons with different abilities.</p>
<p>Expectation: Recognize employees and ensure equal treatment of all (whether expats or local), and identify the best talent within the Company, in order to encourage their growth within RSB.</p>	<p>Expectation: Companies should provide and maintain transparent dialogue with trade unions.</p>
<p>Expectation: Provide all employees with working conditions that allow them to enjoy, to the greatest extent possible, a work/life balance and that are in line with conditions offered by peer employers.</p>	

<p>Actions included in the program:</p> <ol style="list-style-type: none"> 1. Apply the non-monetary recognition program for Repsol Sinopec Brasil employees. 2. Promote a work/life balance for Repsol Sinopec Brasil employees by reducing overtime (10 hour per day limit). 3. Identify and develop talent of Repsol Sinopec Brasil employees. 4. Promote integration of local employees and Brazilian business institutions. 5. Help increase employees' job satisfaction. 6. Promote transparency in trade union negotiations. 7. Implement an action plan to improve the workplace climate at Repsol Sinopec Brasil. 8. Foster the integration of people with different abilities at Repsol Sinopec Brasil. 9. Improve the quality of life of employees through health and well-being programs.

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

Company – employee dialogue

ACTION	Help increase employees' job satisfaction.
DESCRIPTION	We will systematically approach the Exploration and Production team to ascertain their level of satisfaction with working conditions and how familiar they are with the unit's objectives and the Company's strategy.
INDICATOR	<ul style="list-style-type: none"> - Regular meetings with employees. - Meetings with team leaders to keep them informed and to implement improvements. - Meeting minutes. - Number of employees spoken with. - Three follow-up meetings per year.

ACTION	Promote transparency in trade union negotiations.
DESCRIPTION	We will publish the time line for negotiating the collective labor agreement for 2015, as well as the minutes to meetings held with the trade union and the call to meetings to vote on the agreement.
INDICATOR	<ul style="list-style-type: none"> - Records of communications (dated). - Regular informative meetings with ABGP. - Announcement of negotiation of the collective labor agreements between November 2014 and February 2015. - Hold negotiation meetings between November 2014 and February 2015.
ACTION	Implement an action plan to improve the workplace climate at Repsol Sinopec Brasil.
DESCRIPTION	We will continue to implement the action plan, updating it with new actions arising from the 2014 Workplace Climate Survey. These new actions will be included in the action plan currently being prepared by employees, with projects to be addressed in 2015 and 2016.
INDICATOR	<ul style="list-style-type: none"> - Completion of 90% of actions defined each year. - Half-yearly follow-up, through the Repsol Sinopec Brasil action plan for 2015-2016.

Culture, development and management

ACTION	Identify and develop talent of Repsol Sinopec Brasil employees.
DESCRIPTION	<p>We will maintain and carry out specific talent development programs: Next-in-Line Plans, People Review, Mentoring, Coaching and post-graduate programs.</p> <p>The objectives of the People Review program are as follows:</p> <ul style="list-style-type: none"> - Learn and review in an integral and shared manner the current situation and potential of people in the different businesses/areas. - Ensure reliable information for taking decisions regarding talent, in line with the business strategy. - Plan and drive development actions. <p>Coaching: goal-driven methodology that focuses on solving problems and building new skills.</p> <p>Mentoring program: facilitates integration into the workforce and helps our young professionals become more technically proficient in a shorter amount of time.</p>
INDICATOR	<ul style="list-style-type: none"> - Percentage of people assessed under the People Review system. - Number of mentors and mentees. - Number of coaches. - Preparation and monitoring of the Next-in-Line Plan. - Number of people studying masters courses. - 60% compliance with planned training.
ACTION	Promote integration of local employees and Brazilian business institutions.
DESCRIPTION	<p>We will shore up our contacts with local institutions and we will promote joint activities with the Associação Brasileira de Geólogos Petroleiros (ABGP), academic institutions and universities.</p>
INDICATOR	<ul style="list-style-type: none"> - Contacts with local institutions. - Regular informative meetings with ABGP. - Organization of technical contests in Brazil. - Participation in technical events and conferences.

Employee health

ACTION	Improve the quality of life of employees through health and well-being programs.
DESCRIPTION	<p>We will improve the quality of life of employees through the Quality of Life Program and the program actions, thereby supporting their physical and mental well-being. Quality of Life program actions include: exercise academy, nutritional guidance, Shiatsu massage, talks on proper working posture and workplace exercises.</p> <p>We will consider further actions to extend the program, including summer sports, how to make the home-to-office/office-to-home trip more healthy, RSB Chorus (singing classes), a running team, and theatre classes.</p>
INDICATOR	<ul style="list-style-type: none"> - Number and percentage of persons enrolled in the exercise academy. - Number of people enrolled in the nutritional guidance program. - Number and percentage of people doing workplace exercises. - Number and percentage of people participating in the workplace posture course. - Cross-referencing of data from employee exams with quality of life program activities carried out.

Promotion of diversity and reconciliation

ACTION	Foster the integration of people with different abilities at Repsol Sinopec Brasil.
DESCRIPTION	<p>We will begin the work necessary to prepare a “white paper” on different abilities. We will give talks to all employees about how to work side-by-side with people of different abilities.</p>
INDICATOR	<p>Feedback from people with different abilities, through personal interviews and focus groups.</p>

Working conditions

ACTION	<p>Apply the non-monetary recognition program for Repsol Sinopec Brasil employees.</p>
DESCRIPTION	<p>We will continue to run the performance recognition program, through which employees and bosses can nominate their teams or other employees.</p> <p>Awards will be in line with the Company's vision and values, distinguishing work results that are above and beyond expectations.</p> <p>The program establishes ways for the Company to recognize exceptional or superior contributions of individuals or teams in the actions or conduct that help bring about results and/or compliance with business objectives, and provides incentives for innovative and creative approaches.</p> <p>Bosses send their proposals to the Company's internal communications unit. A committee formed by the Persons and Organization (Human Resources) manager and another eligible director evaluates the proposals, approves the nominations and assigns the awards. Proposals submitted by employees receive symbolic awards and are directly approved by the internal communications unit.</p>
INDICATOR	<ul style="list-style-type: none"> - Number of employee and team proposals under the program. - Boss-nominated prizes are awarded twice a year, in April and October. - Employee-to-employee awards can be given out at any time during the year.

<p>ACTION</p>	<p>Promote a work/life balance for Repsol Sinopec Brasil employees by reducing overtime (10 hour per day limit).</p>
<p>DESCRIPTION</p>	<p>We will carry out the following actions to reduce overtime hours among our employees.</p> <ul style="list-style-type: none"> - We will effectively monitor the quarterly results sent and the reports available on the Time Log Portal (bosses). - We will communicate and strengthen rules on working hours. - We will create a questionnaire about the on-off system* in order to identify managers that have failed to understand the rules on working hours, and will minimize accumulated hours and incorrect payment of hours. - We will approve, in advance, which employees are permitted to remain in the Company's facilities after 7:30 p.m. - As practiced in many other companies, we will turn the air conditioning off at 7:00 p.m. and the lights off at 7:30 p.m. In the event an employee needs to work later than usual, he or she must request to stay, in advance, indicating the reason for the extra work and the time he or she will finish. <p>*On-off system: work system for employees in petroleum exploration, drilling, production and refinery activities regulated by Law 5,811/72.</p>
<p>INDICATOR</p>	<ul style="list-style-type: none"> - Percentage of overtime hours reduced during the year. - Half-yearly measurement of the number of overtime hours worked. - Quarterly reminders, through managers, of the need for employees to balance their work and home lives and to reduce overtime.

Program 3

Safety

Safety is a critical concern in industrial operations, meaning prevention, control and maintenance are of huge importance to the business, as is the need to champion a specific culture and conduct aimed towards safety.

The program seeks to prevent and mitigate safety risks and to ensure that emergencies are controlled and managed accordingly; that incidents are reported and investigated and lessons duly learned; and that applicable law and safety management systems are properly adhered to.

It also envisages a safety-oriented culture and conduct promoted through leadership, training, communication and awareness; incorporating safety-related concerns into our commercial relationships, such as due diligence, rating processes for partners, audits and controls, safety training, and communication and awareness campaigns aimed at our commercial partners.

In order to fulfill the expectations of its stakeholders in relation to safety, the Repsol Group has specific management systems in place, which can be consulted on the corporate website repsol.com

Additionally, Repsol Sinopec Brasil has included three actions in the context of this Plan. These are aimed at responding to the principal expectations of the company's stakeholders, as indicated below.

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

SAFETY PROGRAM

Expectation:

Encourage investment in the security of the facilities and of the projects in which the Company is involved.

Expectation:

Companies should work to strengthen and improve their existing processes and controls in order to prevent and avoid possible spills.

Expectation:

Have procedures in place to prevent, mitigate and remedy fuel and other petroleum-derivative spills.

Expectation:

From a safety and environmental perspective, RSB should not differentiate between those operations it operates itself and those operated by other parties.

Actions included in the program:

1. Ensure implementation of the best safety and environmental standards among external operators in assets not operated by RSB.
2. Implement the Wildlife Protection Plan - development of Phase 3 of the Coastal Clean-up and Protection Project [CCPP].
3. Implement Phase 2 of the Coastal Clean-up and Protection Project [CCPP].

Specific information on each of the actions included in the Safety Program of the current Plan is included in the tables below.

ACTION	Implement the Wildlife Protection Plan - development of Phase 3 of the Coastal Clean-up and Protection Project [CCPP].
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DESCRIPTION	<p>We will continue to form part of the group of companies working with the Instituto Brasileiro de Petróleo, Gás e Biocombustíveis (IBP) to carry out the Coastal Clean-up and Protection Plan [CCPP] in order to create a geo-referenced database of the entire Brazilian coastline, to support planning and management of a maritime oil spill response operation.</p> <p>Development of this project is an important tool for the National Contingency Plan [NCP].</p>
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INDICATOR	<ul style="list-style-type: none"> - Ongoing participation in Phase 3 of the project. - Ongoing monitoring and management of areas and species affected by potential accidents.
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ACTION	Ensure implementation of the best safety and environmental standards among external operators in assets not operated by RSB.
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DESCRIPTION	<p>We will participate in the Technical Committee Meetings [TCM] or, as necessary, will organize meetings with operators to ensure that safety standards are implemented in seismic and drilling operations.</p>
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INDICATOR	<ul style="list-style-type: none"> - Analysis of safety and environmental standards during the TCMs held prior to operations. - Documentation in meeting minutes.
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ACTION	Implement Phase 2 of the Coastal Clean-up and Protection Project (CCPP).
DESCRIPTION	We will continue to form part of the group of companies working with the Instituto Brasileiro de Petróleo, Gás e Biocombustíveis (IBP) to carry out the Coastal Clean-up and Protection Plan (CCPP) in order to create a geo-referenced database of the entire Brazilian coastline, to support planning and management of a maritime oil spill response operation. Development of this project is an important tool for the National Contingency Plan (NCP).
INDICATOR	Ongoing participation in Phase 2 of the project.

Program 4

The Environment

Today Society faces a significant number of environmental challenges that vary from global problems like climate change or the depletion of natural resources, to other local problems that, nevertheless, can have an important impact on the environment where they occur. These include air or water pollution, the generation of waste or the destruction of ecosystems and biodiversity.

The activity of companies invariably contributes to some of these impacts. And these issues have special relevance in sectors such as oil and gas that are characterized by the performance of extractive or industrial activities in large installations. Therefore, it is necessary that companies identify options that enable them to prevent these impacts, minimize them when unavoidable and correct them.

These options include preventing and mitigating environmental risks and impacts through suitable control mechanisms, proper emergency management, operational efficiency, suitable management of water resources and waste, efficient use of materials, regulatory compliance and environmental management systems.

The program also addresses climate change, environmental and biodiversity protection, and the need to champion an environment-oriented culture and conduct through leadership, training, environmental communication and awareness, ensuring due diligence in our commercial relationships, including partner rating processes, audits and controls, training on the subject of environmental protection, and environmental communication and awareness campaigns, among others.

In order to respond to stakeholders' expectations on the Environment, the Repsol group has specific management systems which can be consulted on the corporate website repsol.com

Additionally, Repsol Sinopec Brasil has included three actions in the Plan to respond to some these expectations.

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

<h2>ENVIRONMENT PROGRAM</h2>	
<p>Expectation: There is concern about wastes generated by offshore operations in the pre-salt area.</p>	<p>Expectation: Companies are expected to actively work to maximize environmental safety and protection.</p>
<p>Expectation: Collaborate with suppliers to identify and address environmental impacts related to production practices and materials in the Company's supply chain.</p>	<p>Expectation: Establish and maintain an environmental management system focused on ongoing improvement.</p>
<p>Expectation: Invest in technologies and processes that will improve the Company's environmental performance.</p>	
<p>Actions included in the program:</p> <ol style="list-style-type: none"> 1. Advance in the ongoing improvement process for the waste management system in connection with the Company's drilling activities in Brazil. 2. Develop R&D projects focused on boosting sustainability of the energy mix (reducing the carbon footprint and the water footprint) and minimizing environmental impacts. 3. Verify the safety and environmental policies and practices of contractors during operations. 	

Specific information on each of the actions included in the Environment program of the current Plan is included in the tables below.

ACTION	<p>Advance in the ongoing improvement process for the waste management system in connection with the Company's drilling activities in Brazil.</p>
DESCRIPTION	<p>We will follow best practices in managing solid and liquid wastes produced in our drilling and land support (base) activities, so these wastes can be treated, stored and used correctly, in accordance with Brazilian and international regulations.</p> <p>We will maintain our existing partnership with international oil companies (Statoil, BP, Shell, Total, Anadarko and HRT) in the waste elimination companies evaluation and audit group, in order to identify those companies that use the best practices in managing waste in Brazil.</p>
INDICATOR	<ul style="list-style-type: none"> - Comprehensive control of waste management (amount, place of generation, final destination and cost). - Results of monthly meetings and audits of waste elimination companies. - Ongoing assessment of generation goals. - Evaluation of achievements in managing waste upon completion of each well. - Ongoing monitoring of audits of waste elimination companies.

ACTION	Develop R&D projects focused on boosting sustainability of the energy mix (reducing the carbon footprint and the water footprint) and minimizing environmental impacts.
DESCRIPTION	<p>We will participate in R&D&I projects aiming to reduce the carbon footprint and/or water use in primary energy generation activities.</p> <p>We will work in research lines that help mitigate the environmental impacts associated with the extraction of hydrocarbons and promote technologies focused on producing renewable energies.</p>
INDICATOR	<ul style="list-style-type: none"> - Millions of BRL earmarked for projects to improve sustainability and/or minimize environmental impacts. - Number of new sustainable/environmental projects.
ACTION	Verify the safety and environmental policies and practices of contractors during operations.
DESCRIPTION	<p>We will verify the safety and environmental policies of contractors in drilling, seismic and other operations.</p> <p>We will share experiences, verify contractor documentation, improve communication, and ensure best practices and compliance with local legislation.</p>
INDICATOR	<ul style="list-style-type: none"> - Verification of contractor safety policies. - One meeting prior to launching operations. - Two follow-up meetings.

Program 5

Fair operating practices: Anti – Corruption and Ethics

Fair operating practices refer to the way in which organizations deal with others such as business partners, suppliers, contractors, customers, competitors, associations to which they belong, and government agencies and departments.

When ensuring that these relations are carried out in a fair manner, companies have to adapt their practices to criteria such as the prevention of corruption, implementing the necessary policies and practices. They must ensure that their leaders show commitment, motivation and proper supervision when implementing anti-corruption policies, training their employees on how to eradicate bribery and corruption, and offering incentives for any progress made in this regard, encouraging employees, partners and suppliers to report infringements of the company's policies, notifying the authorities of any criminal offences committed and attempting to ensure that the company's partners adopt similar practices.

In order to respond to the company's stakeholders' expectations on this subject, the Repsol group has specific management systems in place which are available at the corporate website **repsol.com**

Additionally, as part of the Sustainability Plan for Repsol Sinopec Brasil, the Company has included seven actions in this subject to respond to some of the expectations mentioned, as indicated below.

-ACTIONS INCLUDED IN THE FAIR OPERATING PRACTICES: ANTI – CORRUPTION AND ETHICS PROGRAM AND A SUMMARY OF THE PRINCIPAL EXPECTATIONS THAT CONTRIBUTE TO RESPONDING TO THEM-

FAIR OPERATING PRACTICES PROGRAM: ANTI-CORRUPTION AND ETHICS

Expectation:

Train employees in the rules of ethical conduct envisaged under the Company's Code of Ethics and Conduct.

Expectation:

Large companies should consciously act to prevent corruption practices.

Expectation:

Carry out a corruption-risk assessment for the Company's suppliers.

Expectation:

Verify the ethical performance of suppliers and contractors.

Expectation:

Provide anti-corruption training for the Company' suppliers.

Expectation:

Establish and maintain an efficient system for fighting corruption.

Expectation:

Increase the awareness of employees, representatives, contractors and suppliers regarding corruption and how to combat it, providing them with training about existing control mechanisms and policies, professional ethics and compliance measures, and establishing disciplinary procedures.

Actions included in the program:

1. Distribute within the Company the guiding principles of the Repsol Group's Code of Ethics and Conduct.
2. Train Repsol Sinopec Brasil executives and managers in ethical, human rights and environmental issues
3. Provide specific anti-corruption training for Repsol Sinopec Brasil employees.
4. Distribute the guiding principles of the Repsol Group's Code of Ethics and Conduct among suppliers and contractors.
5. Encourage our suppliers to espouse an ethical and pro-transparency attitude, in compliance with ethical, anti-corruption and workers' rights policies.
6. Carry out non-financial due diligence processes regarding future commercial relationships.
7. Within the BM-C-33 exploration block area, promote discussions on ethics and report the measures adopted by the Company for contracting in the name of the consortium.

Specific information on the actions included in the Fair Operating Practices: Anti – Corruption and Ethics program of this plan is included in the tables below, arranged by issue:

Commercial relations

ACTION	Distribute the guiding principles of the Repsol Group’s Code of Ethics and Conduct among suppliers and contractors.
DESCRIPTION	With the support of the Purchasing Department, we will organize informative sessions for Repsol Sinopec Brasil, S.A. suppliers and contractors, to share the Repsol Group’s Code of Ethics and Conduct and to explain the importance thereof.
INDICATOR	Organization of two talks per year.

ACTION	Encourage our suppliers to espouse an ethical and pro-transparency attitude, in compliance with ethical, anti-corruption and workers’ rights policies.
DESCRIPTION	We will carry out informational activities aimed at suppliers, explaining RSB’s ethics and human rights policies, which are mandatory for all employees, suppliers, contractors and subcontractors. We will carry out supplier due diligence processes in order to evaluate ethical and anti-corruption aspects as well as compliance with workers’ rights.
INDICATOR	<ul style="list-style-type: none"> - Number of suppliers participating in informational activities. - Number of due diligence processes carried out.

ACTION	Carry out non-financial due diligence processes regarding future commercial relationships.
DESCRIPTION	We will prepare reports on the integrity of potential partners, clients and suppliers.
INDICATOR	<ul style="list-style-type: none"> - Number of reports prepared. - Positive trends in the number of reports. - Preparation of a systematization plan as from 2016.

ACTION	Within the BM-C-33 exploration block area, promote discussions on ethics and report the measures adopted by the Company for contracting in the name of the consortium.
DESCRIPTION	We will propose the creation of an ethics sub-committee within the BM-C-33 exploration block in order to share with our partners the Company's ethical principles and the measures adopted for third-party procurement.
INDICATOR	Issue the formal proposal in 2015.

Culture and management

ACTION	Distribute within the Company the guiding principles of the Repsol Group's Code of Ethics and Conduct.
DESCRIPTION	We will organize informative sessions for Repsol Sinopec Brasil, S.A. employees, to share the Repsol Group's Code of Ethics and Conduct and to explain the importance thereof.
INDICATOR	Organization of two talks per year.

<p>ACTION</p>	<p>Train Repsol Sinopec Brasil executives and managers in ethical, human rights and environmental issues.</p>
<p>DESCRIPTION</p>	<p>We will include at least two online training actions in human rights, ethics and the environment in the GxC (Management through Commitments) system for managers and executives. This initiative is targeted at 46 managers and executives. Obligatory online trainings include: Code of Ethics and Conduct of Repsol employees and Basic Human Rights.</p>
<p>INDICATOR</p>	<p>80% completion of trainings up to June 2015.</p>
<p>ACTION</p>	<p>Provide specific anti-corruption training for Repsol Sinopec Brasil employees.</p>
<p>DESCRIPTION</p>	<p>We will provide anti-corruption training for employees working with current or potential partners, clients or suppliers and those employees that, due to their job functions, may be in a position to prevent or avoid corruption risks.</p>
<p>INDICATOR</p>	<ul style="list-style-type: none"> - Number of employees trained. - Number of courses carried out. - Number of different types of courses prepared.

Program 6

Fair operating practices: Value chain

Fair operating practices refer to how companies conduct their business with other parties, including partners, suppliers, contractors, clients, competitors, associations to which they belong, and government agencies and departments. They are essentially a measure of how ethical a company is in its business with other companies.

The company must attempt to ensure that these relationships are fair, integrating ethical, social and environmental concerns into its purchasing, distribution and recruitment policies; properly monitoring companies with which it has dealings, providing possible support to small and medium-sized enterprises to reach socially responsible objectives, and having proper procurement practices, fair prices, suitable delivery timeframes and stable contracts.

In order to respond to the company's stakeholders' expectations on this subject, the Repsol group has specific management systems in place which are available at the corporate website **repsol.com**

Additionally, as part of the Sustainability Plan for Repsol Sinopec Brasil, the Company has included another two actions in this subject to respond to some of the expectations mentioned, as indicated below.

-ACTIONS INCLUDED IN THE FAIR OPERATING PRACTICES: VALUE CHAIN PROGRAM AND A SUMMARY OF THE PRINCIPAL EXPECTATIONS THAT CONTRIBUTE TO RESPONDING TO THEM-

FAIR OPERATING PRACTICES PROGRAM: VALUE CHAIN

Expectation:

Exercise due care and monitor and track companies with which Repsol does business so as to ensure that the Company's CSR commitments are not adversely affected.

Expectation:

Companies should intensify supplier control processes throughout the supply chain to ensure that they comply with labor rights at all times.

Expectation:

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

Expectation:

Support transparency by the Company in its dealings with other companies.

Actions included in the program:

1. Ensure transparency in relations with the partner Sinopec.
2. Contribute to raising our suppliers' and contractors' social and environmental standards.

Specific information on each of the actions included in the Fair Operating Practices: Value Chain program of this plan is included in the tables below.

ACTION	Ensure transparency in relations with the partner Sinopec.
DESCRIPTION	As part of our management of the BM-S-9 asset, we will regularly invite representatives of Sinopec, particularly the Deputy COO, to participate in monthly internal meetings.
INDICATOR	Invitations posed to members of Sinopec for participating in monthly internal BM-S-9 meetings.
ACTION	Contribute to raising our suppliers' and contractors' social and environmental standards.
DESCRIPTION	We will set up periodic meetings with our service contractors and evaluate them in respect of compliance with labor, security and environmental regulations, performance and contractual compliance. These meetings will be held at least twice a year.
INDICATOR	Percentage compliance with the program.

Program 7

Community involvement and development

Community involvement and development stems from the identification of existing stakeholders and involvement with them in the management and minimization of the impacts that the organization's activities might generate.

Similarly, by actively involving and developing the local community the company can become an asset serving society and the community, although in this process the community frequently raises different and sometimes opposing interests, which the company must weigh up together. Shared responsibility is needed to promote the community's well-being as a common goal. The company must liaise with the different groups representing the community to establish priorities for its social investment, with particular attention paid to vulnerable groups.

Companies can help boost local development by creating jobs, improving relations with public authorities, enhancing the capacities and opportunities of local suppliers, and rolling out cultural, healthcare, social and environmental initiatives and programs.

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

Additionally, this edition of Repsol Sinopec Brasil Sustainability Plan includes nine actions in the area of Community involvement and development. These enable us to respond to the principal expectations of the company's stakeholders, as indicated below.

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

COMUNITY INVOLVEMENT AND DEVELOPMENT PROGRAM

<p>Expectation: Establish an effective and culturally-appropriate mechanism for dealing with grievances.</p>	<p>Expectation: Ensure clear and simple access to grievance mechanisms for local communities (through the website, posters, brochures, etc.)</p>
<p>Expectation: Train employees in the rules of ethical conduct envisaged under the Company's Code of Ethics and Conduct.</p>	<p>Expectation: The Company should perform a market analysis and verify the possibility of contracting people in the communities living within the area of influence of operations.</p>
<p>Expectation: Companies should place priority on Brazilian products, services and/or suppliers, in the operations carried out in Brazil. Companies operating in Brazil should be concerned with development of the sector.</p>	<p>Expectation: Companies should contribute to the long-term development of local content in the Brazilian oil and gas sector, in order to improve the competitiveness of local companies.</p>
<p>Expectation: Promoting investment in technical schools and supporting partnerships with universities should be a priority, at least for companies that intend to remain the country for a long period of time.</p>	<p>Expectation: Use a portion of the revenue from operations to meet the real needs of local communities, such as education, health and employment.</p>
<p>Expectation: Consider partnering with other organizations, including governmental agencies, companies and NGOs, in order to maximize synergies and use complementary resources, know-how and skills.</p>	<p>Expectation: Carry out educational projects with communities.</p>
<p>Expectation: Work with government entities to optimize investment in communities in the area of influence of the Company's operations.</p>	
<p>Actions included in the program:</p> <ol style="list-style-type: none"> 1. Ensure equal opportunities for local workers when hiring personnel for the MC-C-33 exploration block in 2015. 2. Ensure participation of local companies in the bidding process for conceptualization of the BM-C-33 exploration block project. 3. Contribute actively to the development of the technical, research, innovation and entrepreneurial capacity in Brazil. 4. Contribute to the development of communities in the area of influence. 5. Participate in the development of local suppliers in Repsol Sinopec Brasil's area of influence. Prioritize the hiring of or purchasing from local suppliers. 6. Shore up ties with social institutions working with communities in the Rio de Janeiro state, through corporate volunteering efforts. 7. Keep a direct communication channel open between the Company and the public while drilling activities are taking place in Brazil. 8. Optimize integration with influential NGOs in the sector. 9. Promote education and culture of young people, helping to improve their future possibilities. 	

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

Community involvement and dialogue

ACTION	Keep a direct communication channel open between the Company and the public while drilling activities are taking place in Brazil.
DESCRIPTION	We will actively maintain FaleRepsol, a direct communication channel, through which the public can contact the Company (email or telephone). A contracted company will continue to field calls and emails [24 day/7 days a week] and will forward them to Repsol Sinopec Brasil, so that all queries and consultations can be answered.
INDICATOR	<ul style="list-style-type: none"> - Number of contacts (email or telephone) and follow-up of Repsol Sinopec Brasil's replies. - Distribution of pamphlets and fliers to communities while activities are being carried out, publicizing the FaleRepsol telephone number and email address.

Local content

ACTION	Ensure equal opportunities for local workers when hiring personnel for the MC-C-33 exploration block in 2015.
DESCRIPTION	We will establish the necessary mechanisms and procedures to ensure that local personnel are considered and evaluated in equal and appropriate conditions, during all hiring processes carried out in 2015.
INDICATOR	Local personnel working on the project.

ACTION	<p>Ensure participation of local companies in the bidding process for conceptualization of the BM-C-33 exploration block project.</p>
DESCRIPTION	<p>We will ensure that request for bids for the conceptualization work (one of the phases of the engineering project, in which the development concept is selected) to be prepared during 2015 facilitate and provide incentives for Brazilian companies to participate.</p>
INDICATOR	<p>Panel of companies invited.</p>
<hr/>	
ACTION	<p>Contribute actively to the development of the technical, research, innovation and entrepreneurial capacity in Brazil.</p>
DESCRIPTION	<p>We will maintain and shore up our collaborative network with Brazilian universities and public research centers, carrying out R&D&I projects focused on developing know-how, new technologies and/or technological start-ups in the country. We will define a plan for supporting the development and training of new specialists, researchers and/or entrepreneurs in the energy sector, by funding training plans for technical personnel in mixed-format post-graduate programs: Brazilian university + Spanish university + temporary stay at one of Repsol's Technology Center hubs (Rio de Janeiro, Houston or Madrid).</p>
INDICATOR	<ul style="list-style-type: none"> - BRL (millions) per year. - Opening of new R&D&I projects with public institutions. - Participation in workshops with public institutions, regarding new lines of research. - Definition of an energy-sector technical personnel training plan. - Definition of a plan to promote innovation and entrepreneurship.

ACTION	Participate in the development of local suppliers in Repsol Sinopec Brasil's area of influence. Prioritize the hiring of or purchasing from local suppliers.
DESCRIPTION	<p>We will pledge to remain actively represented on the decision-making forums Cadastro de Fornecedores Locales (CADFOR), a supplier registry, and the Organização Nacional da Indústria do Petróleo (ONIP).</p> <p>We will shore up this registration of suppliers along with the remaining oil and gas sector companies, increasing the number of suppliers registered.</p> <p>We will incorporate local suppliers into our databases, so they can participate in future bidding processes.</p> <p>We will identify development projects with local suppliers and jointly promote the projects with other sector companies.</p>
INDICATOR	<ul style="list-style-type: none"> - Number of suppliers registered in CADFOR. - Number of local suppliers incorporated in RSB's database. - Number of development projects in which RSB participates.

Social investment

ACTION	Contribute to the development of communities in the area of influence.
DESCRIPTION	<p>We will continue the professional qualification program for fishermen, an educational platform in cities in the area of influence (states of Rio de Janeiro and São Paulo), actively collaborating with the Brazilian Navy.</p>
INDICATOR	<ul style="list-style-type: none"> - Number of people benefiting from the program. - Route of cities and programmed activities. - Activities report. - Photos and press clippings.

ACTION	Shore up ties with social institutions working with communities in the Rio de Janeiro state, through corporate volunteering efforts.
DESCRIPTION	The project aims to help employees offer their services, free of charge, to support communities. Employees participating in the volunteering program can also informally develop skills and exercise their civic responsibility.
INDICATOR	<ul style="list-style-type: none"> - Internal survey to identify interests and skills. - Select a partnering institution. - Establish activity programs. - Number of participants and actions.
ACTION	Optimize integration with influential NGOs in the sector.
DESCRIPTION	We will extend our partnership with the SOS Mata Atlântica Foundation by sponsoring the itinerant environmental education exposition "A Mata Atlântica é Aqui!"
INDICATOR	<ul style="list-style-type: none"> - Cities visited. - Number of visitors. - Programmed activities.

ACTION	Promote education and culture of young people, helping to improve their future possibilities.
DESCRIPTION	We will extend our socio-cultural investment to at-risk communities in the Rio de Janeiro state, through the “Orquestra de Câmara da Escola de Música da Rocinha” project, which aims to teach young people about music and instruments. The orchestra project is offered to 100 young people living in the Rocinha community (Rio de Janeiro).
INDICATOR	<ul style="list-style-type: none"> - Formal establishment of the new partnership through the sponsorship contract. - Number of people benefiting from the program. - Activities report. - Press clippings.

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.

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