

Sustainability Plan 2015



USA

Year End Report

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

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Year End Report on actions of the Sustainability Plan 2015 for the United States on December 31th, 2015

Program 1

Governance

ACTION	Adopt and implement 2015 U.S. Sustainability Plan based on stakeholder expectations.
DESCRIPTION	We will monitor quarterly the implementation of this Sustainability Plan, performed based on stakeholders' corporate social responsibility expectations to advance Repsols commitment to sustainable development.
INDICATOR	Approval and publication of the 2015 U.S. Sustainability Plan. Quarterly monitoring of implementation of the plan.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	The US Corporate Social Responsibility Committee has approved the 2015 Sustainability Plan on March 25th 2015 and has met for a mid-year on July 15th 2015. The Plan has been implemented as outlined in this report.

ACTION	Communicate Repsol's U.S. Code of Conduct.
DESCRIPTION	We will launch and communicate Repsol's U.S. Code of Conduct internally, stating that it is additional to Repsol's Global Code of Conduct. The Global Code will apply in all cases where its requirements are consistent with the requirements of the U.S Code, and the U.S Code will apply to all U.S Repsol companies.
INDICATOR	Completion and implementation of U.S. Code of Conduct. Communication plan. Number of communications.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	Communication plan completed and successfully implemented. More than 10 internal and external communications about the plan.

ACTION	Communicate Repsol's U.S. sustainability commitments internally and externally.
DESCRIPTION	We will develop and implement a communication plan to promote the U.S. Sustainability Plan. We will communicate it via email, the Houston Channel and digital boards.
INDICATOR	Completion and implementation of communication plan. Number of communications.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	Communication plan completed and successfully implemented. More than 10 internal and external communications.

ACTION	Follow up and assessment of new controls in the U.S Internal Control over Financial Reporting System.
DESCRIPTION	We will assess and design the controls over financial reporting; we will develop recommendations to address any gaps.
INDICATOR	Assessment, design and implementation of controls and monitoring activities. Test of Operating effectiveness of controls with action plans for gap remediation.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	In progress
CLOSING TEXT	We have successfully completed the design and testing of the controls in 2015. Plan to complete final field testing in 2016.

ACTION	Identify opportunities for continuous improvement in our community relations programs.
DESCRIPTION	We will assess the effectiveness of our community relations programs. We will develop recommended action items.
INDICATOR	Completion of report (including baseline, gaps and actions).
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	We have completed the assessment of our 2015 community relations programs and have integrated recommendations into our 2016 community relations plan.

ACTION	Promote our corporate values.
DESCRIPTION	We will develop and implement communication plan to promote corporate values. We will incorporate values into news articles, employee communications and events.
INDICATOR	Completion of plan. Number of communications.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	We have actively promoted Repsol's values of transparency, integrity, responsibility, innovation and flexibility, externally and internally, with more than 20 communications. Among other communications, our values are prominently displayed in the Houston office in five large (four foot x four foot) backlit photographs depicting each value. We've also added a slide conveying our values to our PowerPoint template to be used in internal and external presentations.

ACTION	Provide Corporate Social Responsibility training to employees.
DESCRIPTION	We will roll out corporate social responsibility (CSR) training in 2015 to targeted U.S. employees. The goal is 85% participation for US employees. We will communicate the importance and training process via email, the Houston Channel and digital boards.
INDICATOR	Percentage of target audience trained. Number of communications.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	In progress
CLOSING TEXT	This action has been deferred until the english version of the corporate social responsibility training is workable.

Program 2

Human rights

Culture and Management Systems

ACTION	Provide Workplace Violence Prevention training to employees.
DESCRIPTION	We will deploy an online training model to be delivered to all Repsol's U.S. employees. The course will be provided by an outside vendor.
INDICATOR	Percentage of target audience trained.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	We have developed and launched the Workplace Violence Prevention training. It has been completed by 88% of targeted employees (501 of 569 employees).

Indigenous communities

ACTION	Support Repsol's corporate guidelines on human rights impact assessment.
DESCRIPTION	We will conduct an analysis to compare corporate human rights' impact assessment guidelines with Alaska regulatory requirements and develop a plan to ensure alignment.
INDICATOR	Completion of analysis. Completion of the plan.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	We have completed the analysis to compare corporate human rights' impact assessment guidelines with Alaska regulatory requirements. The analysis confirmed that all the requirements have been met.

Security

ACTION	Provide Human Rights training to U.S. security personnel and private security contractors.
DESCRIPTION	We will communicate requirement to security contract agency for all security personnel contracted by Repsol to be trained on human rights. Approve training tool.
INDICATOR	Completion of communication. Percentage of target audience trained.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	All security personnel have completed the human rights training.

Program 3

Labor practices

Health employees

ACTION	Promote healthy lifestyles.
DESCRIPTION	We will develop and implement employee health and wellness campaign. We will communicate events and health and wellness messages.
INDICATOR	Completion of campaign plan. Number of events and communications.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	We have developed and implemented a health and wellness campaign, organizing and communicating nine events: National Nutrition event; MS150 cycling event; Spring into motion contest; Financial Wellness and Stress Seminar; Dragon Boat Team Competition; Repsol Employee Health Fair; American Heart Assoc. Heart Walk; Nuiqsut, Alaska Youth Fun Run; etc. Other measures include providing healthy food offerings in the office Café, and opening the Building 4 gym to all employees.

Working conditions

ACTION	Identify opportunities for continuous improvement in workplace satisfaction through the use of employee surveys.
DESCRIPTION	We will conduct Employee Satisfaction Survey and Focus Groups, analyze the results and incorporate action items into the 2016 Climate Action Plan.
INDICATOR	Completion of Employee Satisfaction Survey. Completion of Focus Groups. Completion of 2016 Climate Action Plan.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	We have conducted an Employee Satisfaction Survey, which was completed, with 85% employee participation. We have communicated the results to employees. Due to organizational changes, the Climate Survey Plan has been deferred to the second quarter of 2016.

ACTION	Recognize our employees for their contributions.
DESCRIPTION	We will implement various employees recognition programs.
INDICATOR	Number of recognition programs implemented.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	We have developed and implemented the Employee Recognition Awards program, including six programs (Employee Highlight, Spot Recognition, Peer-to-Peer, Service Award, Safety Award and Retirement recognition).

Program 4

Safety

Culture and Management Systems

ACTION	Drive the continuous improvement of the safety management system.
DESCRIPTION	We will implement the programs to align with 30 CFR 250 Subpart S- Safety and Environmental Management Systems (offshore operations) and Occupational Safety & Health Administration (OSHA) Process Safety Management (onshore Alaska).
INDICATOR	Number of Policies updated based on SEMS Corrective Action Plan (CAP) commitments.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	We have finalized all core health, environment and safety documents, which include 17 Safety and Environmental Management System Policies and 50 Safe Work Practices. An additional 25 new Operations Management System policies are complete and awaiting final signature.

ACTION	Foster a culture of safety among Repsol's employees and contractors.
DESCRIPTION	We will establish a preventative observation culture to promote positive and timely communication of safety issues. This is in support of the Health, Safety and Environment (HSE) culture initiative across Repsol.
INDICATOR	Number of positive observations by workhours reported.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	In progress
CLOSING TEXT	The observation program has been deferred to 2016 due to the Talisman acquisition. Observation program is pending Talisman integration systems review.

Risks Management

ACTION	Improve the management of safety process risk.
DESCRIPTION	We will apply Norm 353 Major Hazard Analysis (MHA) to all US drilling, logistics and seismic activities, as well as future development projects.
INDICATOR	Number of MHA risk analysis completed.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	We have applied 10 major hazards risk analysis for Alaska 2014-2015 and Gulf of Mexico 2015-2016 drilling campaigns.

Program 5

The Environment

Biodiversity

ACTION	Minimize biodiversity impacts in our operations.
DESCRIPTION	We will identify endangered species habitat and environmental receptors for all U.S. exploration and production operations.
INDICATOR	Number of ESH and ER locations next to onshore lease operations.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	The Alaska project and Gulf of Mexico offshore Drilling Terms of Reference documents are complete. We have completed endangered species habitat assessment as part of Alaska annual drilling website due diligence and for each Gulf of Mexico exploration drilling permit. The data has been presented to Repsol internal review process. Due to operational changes, we have deferred the completion of the ESH and ER baseline to 2016.

Environmental risks and impact Management

ACTION	Identify opportunities for continuous improvement in our environmental compliance management systems.
DESCRIPTION	We will implement Environmental Compliance and Task Management Obligation Program that aligns with the Corporate Audit Regulatory Self-Assessment Obligation Program, but more accurately assigns Regulatory Function-Responsibility to U.S executive, asset, land, projects, drilling or Health, Safety & Environment (HSE) managers.
INDICATOR	U.S (Alaska & Gulf of Mexico operations only) Environmental Compliance Task Management Program (I.H.S. EMISphere) baseline established at the end of Q4 2015.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	We have established a baseline for our Alaska compliance task management.

ACTION	Improve waste management efficiency.
DESCRIPTION	We will implement waste reduction process data gathering plans for Alaska and Gulf of Mexico drilling environmental permit reporting, to align with associated Repsol waste Environmental Performance Practices (EPPs).
INDICATOR	Baseline U.S (Alaska and Gulf of Mexico only) Waste Compliance and Task Management Program (I.H.S. EMISphere) baseline established at the end of Q4 2015.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	We have implemented a waste management tracking system and established a baseline compliance and task management program. These actions will allow us to better monitor and enhance our waste management programs.

ACTION	Strengthen control over spills.
DESCRIPTION	We will maintain an inventory of safety and environmental information (process safety critical equipment) for operated facilities, as per American Petroleum Institute's Recommended Practice 75 and ensure mechanical reliability and Quality Assessment/Quality Control programs are in place to address same.
INDICATOR	Implement critical elements tracking system for 2015 exploration and production activities.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	We have implemented a comprehensive tracking system for safety and environmental reporting. HSE Audit confirmed the spill response resources and programs are fully in place.

Operational eco efficiency

ACTION	Optimize water management.
DESCRIPTION	We will reduce future water consumption in our operations. Baseline U.S.A (AK & GoM only) Water Compliance and Task Management Program (I.H.S. EMISphere) baseline established at the end of Q4 2015.
INDICATOR	Baseline U.S (Alaska and Gulf of Mexico only) Water Compliance and Task Management Program (I.H.S. EMISphere) baseline established at the end of Q4 2015.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Unfulfilled
CLOSING TEXT	We have cancelled the project to optimize water management due to the transfer of operatorship of the Alaska project.

ACTION	Promote LEED certification of Repsol Houston office.
DESCRIPTION	We will promote the LEED (Leadership in Energy & Environmental Design) features of the Repsol Houston office externally and internally through announcements, presentations and other communications.
INDICATOR	Completion of LEED certification application. Achievement of LEED certification. Number of communications.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	We have promoted the LEED (Leadership in Energy and Environmental Design) certification of Repsol's Houston office externally and internally through more than 10 communications, including news releases that were picked up by local publications (Parkway Magazine; The Woodlands Economic Development Partnership Report). Internally, we have promoted the LEED certification through prominent display of the award at the office entrance; in Intranet articles; and on digital boards.

Program 6

Fair Operating Practices: Anti-Corruption and Ethics

ACTION	Ensure that appropriate anti-corruption/anti-bribery and compliance provisions are included in the terms and conditions of any new or renewed agreements.
DESCRIPTION	We will include appropriate anti-corruption/anti-bribery and compliance terms and conditions in new contracts.
INDICATOR	Development of contract-specific terms. Implementation of those terms on a go-forward basis.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	We have included appropriate anti-corruption/anti-bribery and compliance terms and conditions in new contracts and implemented these terms on a go-forward basis.

Program 7

Fair Operating Practices: Value chain

Suppliers and contractors

ACTION	Contribute to an increase in the number of health, safety, environmental and social standards adopted by our suppliers and contractors.
DESCRIPTION	We will include the requirement to be qualified in the ISNetwork (global resource for connecting corporations with safe, reliable contractors/suppliers) in the bidding strategy.
INDICATOR	Implementation of requirement for suppliers/contractors to be qualified in ISNetwork.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	Legacy Talisman and USBU ISNetwork accounts have been successfully merged. All applicable corporate social responsibility documents are available to contractors via website. We have implemented the requirement to contribute to an increase in the number of health, safety and environmental and social standards adopted by our suppliers and contractors.

Program 8

Community involvement and development

Community involvement & Dialogue

ACTION	Enhance the effectiveness of grievance mechanisms in Alaska (based on the United Nations' Guiding Principles on Business and Human Rights).
DESCRIPTION	We will assess the effectiveness of the 24/7 reporting system as a grievance mechanism through a gap analysis to identify potential areas of improvement. We will implement feedback channel on Repsol North America website that is accessible worldwide.
INDICATOR	Completion of report (including baseline, gaps and actions).
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	We have completed the assessment of our grievance mechanisms including community meetings/visits, designated community liaison, emailed operational reports, and email, phone and facebook contacts. We also implemented a feedback channel on Repsol U.S website, accessible worldwide ("Contact Us").

ACTION	Improve our understanding of our stakeholders' issues.
DESCRIPTION	We will coordinate with stakeholders to better understand their concerns and desires in regards to our business. We will develop recommended action items.
INDICATOR	Number of meetings. Completion of recommended action items.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	Repsol representatives have met regularly with Nuiqsut residents, community leaders, elected officials and regulatory agencies to discuss and seek input on Repsol's exploration and development projects. Representatives in the Midcontinent asset have met with partner SandRidge (operator).

ACTION	Improve our understanding of our stakeholders' perceptions.
DESCRIPTION	We will analyze perceptions of our U.S stakeholders and incorporate recommendations into our 2016 U.S Sustainability Plan.
INDICATOR	Completion of analysis. Completion of recommendations.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	In order to improve our understanding of our stakeholders' perception, we have analyzed their expectations. Based on the analysis, recommendations will be included in the 2016 U.S Sustainability Plan.

Local content

ACTION	Encourage local economic development through the inclusion of local suppliers and contractors in the bidding process.
DESCRIPTION	We will include and regulate local content weighting in the bidding process.
INDICATOR	Development of weighting process. Inclusion of weighting in bidding process.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	In progress
CLOSING TEXT	We have updated our ISN NetWorld system to allow contractors to submit their corporate social responsibility documentation. A grading system has been developed and is planned to be implemented in the first half of 2016 whereby we will weight a contractor's CSR performance in the bidding process.

Social Investment

ACTION	Promote community volunteering opportunities internally.
DESCRIPTION	We will help improve quality of life in communities near our offices and operations by supporting employees (and their families) volunteer efforts.
INDICATOR	Number and description of volunteer activities. Number of volunteers.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	We have organized 12 employee volunteer activities for the Houston and Alaska offices, with more than 60 employees donating 209 hours.

ACTION	Publically promote interest in science, technology, engineering and math.
DESCRIPTION	We will sponsor educational and community events that promote the value and importance of science, technology, engineering and math.
INDICATOR	Number of related sponsorships.
EXECUTION YEAR	2015
CLOSING TO THE ACTION AS OF 31/12/2015	
STATUS	Fulfilled
CLOSING TEXT	We have supported 15 events that promote the importance of science, technology, engineering and math education in the Houston area and in various locations in Alaska.

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