



2013-2014

# Sustainability Plan for the United States

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## LEGAL NOTICE

The Sustainability Plan for the United States 2013-2014 includes a number of actions conceived by Repsol and intended to contribute to sustainable development. Repsol is committed to carrying out in their entirety those actions in the sustainability plan that must be carried out by law, reserving the right to modify, postpone or cancel other actions that are carried out voluntarily, without this entailing any responsibility on the part of Repsol.

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## Corporate Responsibility Vision and the development of this Plan

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

In Repsol, we understand Corporate Responsibility as the contribution of major 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 organisations.

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

Furthermore, we aspire to contribute to this sustainable development through our Corporate Responsibility vision that is the responsibility that we voluntarily assume, beyond what is demanded by law due to the impact that our activities might have on society and the environment and that, in response to the expectations of our stakeholders with regards to our activity, developing practices that maximize the positive impacts and prevent, mitigate, repair or compensate the negative ones.

We have identified the expectations that our stakeholders have on issues related with governance, the respect of Human Rights, labor practices, environmental impacts, 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 behaviour for a multinational company:

- United Nations Guiding Principles on Business and Human Rights.
- The International Standard ISO 26000: Guidance on Social Responsibility.
- OECD Guidelines for Multinational Enterprises.
- The International Finance Corporation (IFC) Sustainability Framework Performance Standards.

In addition, we have developed a materiality study or relevant issues study, for the company's stakeholders at corporate level, based on the following sources:

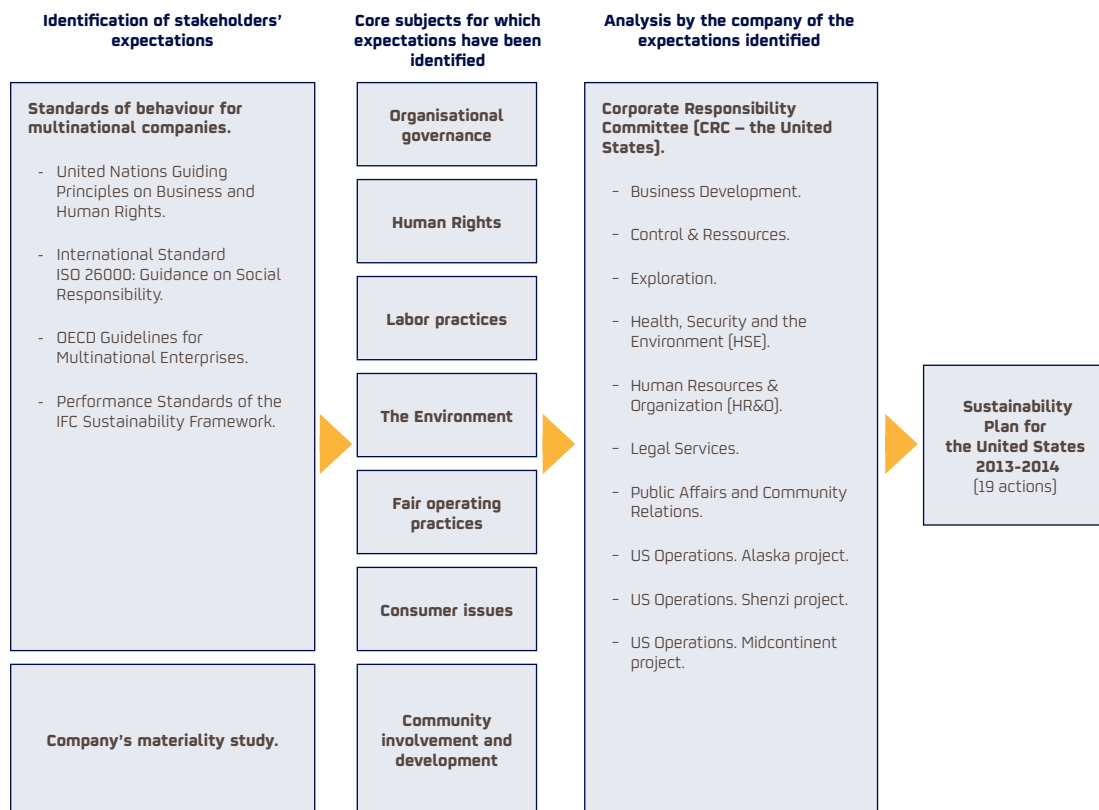
- Criteria related to organisational governance and environmental and social management (ESG) used on a formal basis by institutional investors and asset managers, that are relevant for Repsol, when selecting their investment portfolios.
- ESG proposals presented to the general shareholders' meetings of the principal companies in the energy sector.
- Most recent publications of the most influential international organisations in the ESG field.
- Expectations of the leaders of opinion associated with ESG issues who have appeared in a selection of international media.
- Expectations formulated by other leaders of opinion and experts during in-depth interviews held for this study.

The set of expectations obtained from the four international standards and the expectations identification study amounted to more than five hundred. After an analysis and consolidation process, the results have been studied by the United States Corporate Responsibility Committee, chaired by the Managing Director North America and Brasil for Exploration and Production and formed by of executive-level representatives from the following businesses and corporate units in the country:

- Business Development.
- Control & Ressources.
- Exploration.
- Health, Safety and Environment [HSE].
- Human Resources & Organization.
- Legal Services.
- Public Affairs and Community Relations.
- US Operations. Alaska project.
- US Operations. Shenzi project.
- US Operations. Midcontinent project.

With this exercise, we have been able to formally and systematically introduce the expectations of stakeholders in the United States into the company's decision making processes, which is the key aspect of Corporate Responsibility.

-Introduction of stakeholders' expectations into the company's decision making processes-



The result of this analysis is the current 2013-2014 Sustainability Plan for the United States. The degree to which its commitments are fulfilled will be assessed annually and communicated to society in the form of an annual monitoring report.

This plan consists of 19 specific short-term actions (2013-2014) with the corresponding indicators to measure their implementation, grouped into six of the seven programs that correspond with the seven Social Responsibility core subjects described by the international standard ISO 26000 - Guidance on Social Responsibility - and which are the seven areas in which any company is more likely to generate an ethical, environmental and social impact.

With respect to the programs, those concerning Organisational Governance and Labor Practices have the greatest number of actions.

-Distribution of the actions of the Sustainability Plan for the United States  
by action programs-

PROGRAMS	Number of actions
Organisational governance	7
Human Rights	1
Labor practices	4
The Environment	2
Fair operating practices	2
Community involvement and development	3

The 2013-2014 Sustainability Plan for the United States is not Repsol's only contribution to sustainable development but is complemented with actions considered in the Corporate Sustainability Plan, as well as those concerning countries or specific operating centers that are included in our respective Sustainability Plans.

58% of the actions included in this plan are linked to the variable remuneration system for Repsol's employees, which constitutes an explicit commitment on the part of the company with the effective maximisation of its contribution to sustainable development.



# Stakeholders' expectations and the corresponding actions of the Plan

## Program 1

### Organisational Governance

Organisational 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.

In order to respond to stakeholders' expectations in the field of Governance, Repsol has specific management systems in place which are available at the corporate website **repsol.com**.

Furthermore, the company has added seven actions to the current Sustainability Plan in an attempt to strengthen its response to the principal expectations, such as those indicated below.

-Actions included in the Governance program and a summary of the principal expectations that contribute to respond to them-

Governance Program		
<p><b>Expectation:</b> Be proactive in extending CSR discourse to all the countries of operations.</p>	<p><b>Expectation:</b> Develop strategies, targets and goals that reflect the organisation's commitment with Social Responsibility.</p>	<p><b>Expectation:</b> Create and maintain a corporate culture in which the principles of Corporate Responsibility are practiced.</p>
<p><b>Expectation:</b> Periodically revise and evaluate the processes of organisational governance.</p>	<p><b>Expectation:</b> Guarantee the publication of accurate information on all the significant aspects of the company, within the appropriate time limits.</p>	
<p><b>Actions included in the program:</b></p> <ol style="list-style-type: none"> <li>1. Establish the Corporate Social Responsibility Coordination System in the U.S. in collaboration with the Head Office CSR group.</li> <li>2. Adopt and implement the first U.S. Sustainability Plan based on stakeholder expectations.</li> <li>3. Ensure that Repsol's Code of Ethics and Conduct meets U.S. standards and is in accordance with U.S energy best practices.</li> <li>4. Enhance employee knowledge of Repsol's Code of Ethics &amp; Conduct.</li> <li>5. Identify opportunities for continuous improvement of the U.S. Regulatory Compliance Program and the implementation of them.</li> <li>6. Provide Corporate Social Responsibility training to Repsol employees.</li> <li>7. Communicate internally and externally Repsol's commitments in this plan.</li> </ol>		

- **Expectation: Be proactive in extending CSR discourse to all the countries of operations.**

Regarding this expectation, Repsol has included an action in this Plan to *establish the Corporate Social Responsibility Coordination System in the US in collaboration with the Head Office CSR Group*. This initiative joins another included in the Corporate Sustainability Plan and constitutes the manifestation of the commitment of the company to progressively extend its CSR standards to all the countries where it operates.

- **Expectation: Develop strategies, targets and goals that reflect the organisation's commitment with Social Responsibility.**

As a result of the previous action, Repsol has developed a second initiative in the context of this Plan consisting in *adopting and implementing the first U.S. Sustainability Plan based on stakeholder expectations*.

This Plan, as stated in the current document, consists of 19 specific short-term actions grouped into six areas in which any company is more likely to generate an ethical, environmental and social impact. All of them will be implemented in the 2013-2014 period.

- **Expectation: Create and maintain a corporate culture in which the principles of Corporate Responsibility are practiced.**

With the aim of extending CSR and ethical principles throughout the company's operations in the country, Repsol has included three actions in the current Plan.

The first two of them will be implemented in the context of the Ethics and Conduct framework established by the company. In this way, Repsol will work to *ensure that Repsol's Code of Ethics and Conduct meets U.S. standards and is in accordance with U.S energy best practices*. After the approval of these changes by corporate groups in Spain, the new Code will be published so that it is known by all the staff.

Precisely in this field, the Company has designed a second action in the plan to *enhance employee knowledge of Repsol's Code of Ethics & Conduct*. The initiative will consist in specific training to ensure employee familiarity with the standards of conduct expected of them during their interactions with outside vendors, government officials, partners and other stakeholders.

Finally, through a third action Repsol will also make an effort to improve staff's general knowledge on Corporate Responsibility principles. In this way, the company will *provide training to their employees*, developing a specific model which will be taught to all participants during the 2013-2014 period.



- **Expectation: Periodically revise and evaluate the processes of organisational governance.**

To guarantee compliance with legal obligations and other requirements is one of the fundamental criteria taken into account in the company's decision making processes.

In this context, the company has designed one action consistent in *identifying opportunities for continuous improvement of the U.S. Regulatory Compliance Program and the implementation of them.*

With this action, Repsol will proactively monitor the process of identification, updating and self-assessment of its compliance with legal obligations, as well as the implementation of defined action plans for those compliance infringements identified.

- **Expectation: Guarantee the publication of accurate information on all the significant aspects of the company, within the appropriate time limits.**

With regards to improving company transparency in CSR matters in the country, Repsol has included one action in the Plan to *communicate internally and externally Repsol's commitments in this plan* To do this, the company will develop a Communication Plan identifying the initiatives required to ensure that the principal stakeholders of the business unit are informed about Repsol's CSR commitment and the main actions that have been designed to put it into practice.

Specific information on each of the actions included in the Governance program of the current Plan is included in the tables below. These tables are sorted in chronological order according to the expected calendar for the implementation of the actions. The order, therefore, may not coincide with that indicated in this introduction:

<b>ACTION</b>	<b>Establish the Corporate Social Responsibility Coordination System in the U.S. in collaboration with the Head Office CSR group.</b>
<b>DESCRIPTION</b>	We will establish a Corporate Social Responsibility Coordination System to align the company's performance with stakeholder expectations.
<b>INDICATOR</b>	<ul style="list-style-type: none"> <li>- Creation of the US CSR Committee.</li> <li>- Meetings of the CSR US Committee held.</li> </ul>
<b>YEAR OF IMPLEMENTATION</b>	2013-2014

**ACTION**

**Adopt and implement the first U.S. Sustainability Plan based on stakeholder expectations.**

**DESCRIPTION**

We will develop a Sustainability Plan based on stakeholders' CSR expectations whose implementation reflects Repsol USA's public commitment to sustainable development.

**INDICATOR**

- The approval and publishing of the first U.S. Sustainability Plan.
- Implementation of the Plan.

**YEAR OF IMPLEMENTATION**

2013-2014

**ACTION**

**Ensure that Repsol's Code of Ethics and Conduct meets U.S. standards and is in accordance with U.S. energy best practices.**

**DESCRIPTION**

- We will ensure the Code of Ethics and Conduct is up to date, properly translated in line with U.S. standards and in accordance with U.S. energy best practices.
- We will publish the Code for U.S. employees.

**INDICATOR**

- Approval from relevant groups in the Corporation for the proposed changes to the Code of Ethics and Conduct.
- Publish Code for US employees properly translated and updated to meet U.S. standards.

**YEAR OF IMPLEMENTATION**

2013-2014

<b>ACTION</b>	<b>Enhance employee knowledge of Repsol's Code of Ethics &amp; Conduct.</b>
<b>DESCRIPTION</b>	We will provide annual employee training on the Code of Ethics & Conduct to ensure employee familiarity with the standards of conduct expected during employees' interactions with outside vendors, government officials, partners and other stakeholders.
<b>INDICATOR</b>	<ul style="list-style-type: none"> <li>- Training program developed.</li> <li>- Percentage of US employees trained on the Code of Ethics and Conduct.</li> </ul>
<b>YEAR OF IMPLEMENTATION</b>	2014
<b>ACTION</b>	<b>Identify opportunities for continuous improvement of the U.S. Regulatory Compliance Program and the implementation of them.</b>
<b>DESCRIPTION</b>	Proactive monitoring of the process of identification, updating and self-assessment of compliance with legal obligations, as well as defined action plans for identified failures to comply.
<b>INDICATOR</b>	<ul style="list-style-type: none"> <li>- Number of added/removed/modified legal obligations.</li> <li>- Percentage of compliance self-assessments carried out every six months.</li> <li>- Number of action plans defined and carried out.</li> <li>- Report of results.</li> </ul>
<b>YEAR OF IMPLEMENTATION</b>	2013-2014

<b>ACTION</b>	<b>Provide Corporate Social Responsibility training to Repsol employees.</b>
<b>DESCRIPTION</b>	We will develop a training model to be delivered to all Repsol U.S. employees.
<b>INDICATOR</b>	<ul style="list-style-type: none"> <li>- Course developed and available via the training tool.</li> <li>- Percentage of the target audience trained.</li> </ul>
<b>YEAR OF IMPLEMENTATION</b>	2013-2014

<b>ACTION</b>	<b>Communicate internally and externally Repsol's commitments in this plan.</b>
<b>DESCRIPTION</b>	We will develop a Communication Plan for the U.S. Sustainability Plan.
<b>INDICATOR</b>	<ul style="list-style-type: none"> <li>- Communication Plan of the U.S. Business Unit.</li> <li>- Number of reports (internal and external) related to the commitments acquired by Repsol in this Plan.</li> </ul>
<b>YEAR OF IMPLEMENTATION</b>	2013-2014

## Program 2

# Human Rights

Among Human Rights, there are some that are well known, such as the right to life and liberty, to equality and non-discrimination, to education, to freedom of belief, expression and movement, to proper living and working conditions; and there are others that are less well known, such as the right to rest, to privacy and to form a family.

States and companies play different roles in the common effort in favour of Human Rights. While States have the duty to protect Human Rights against those who infringe them, companies have the responsibility to respect Human Rights throughout their operations. This means acting with due diligence to avoid interfering with the degree to which people enjoy these rights and addressing any potential adverse impacts if these occur.

In order to respond to stakeholders' expectations in the area of Human Rights, Repsol has specific management systems in place which are available at the corporate website **repsol.com**.

Furthermore, one action has been assigned to this subject in the current Sustainability Plan, which is aimed at responding to the principal expectations of the company's stakeholders.

-Actions included in the Human Rights program and a summary of the principal expectations that contribute to respond to them-

Human Rights Program
<b>Expectation:</b> Internally disseminate the principles for the respect of Human Rights that form part of Repsol's policy for action.
<b>Actions included in the program:</b>
1. Increase awareness on Human Rights amongst our employees at the U.S Business Unit.

- **Expectation: Internally disseminate the principles for the respect of Human Rights that form part of Repsol's policy for action.**

In the field of Human Rights, Repsol has adopted the United Nations Framework on Business and Human Rights in order to guarantee that its activities are developed according to the most demanding standards.

Through one action included in the Plan, the Company will *increase awareness on human rights amongst our employees at the U.S Business Unit*. For this, Repsol will provide an online course for them to provide specific knowledge and awareness of respect for Human Rights, particularly focusing on the aforementioned standard.

Specific information on this action has been included in the table below:

ACTION	<b>Increase awareness on Human Rights amongst our employees at the U.S Business Unit.</b>
DESCRIPTION	We will provide an online course for our employees to specifically provide knowledge and understanding on respect for Human Rights, particularly focusing on the United Nations' "Protect, Respect and Remedy" Framework on Business and Human Rights international standard adopted by the company.
INDICATOR	Percentage of employees of the U.S Business Unit trained.
YEAR OF IMPLEMENTATION	2013-2014

## Program 3

### 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 time, 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 the representation and participation in collective bargaining, social dialogue and tripartite consultations to address social issues related to employment.

In order to respond to stakeholders' expectations in the subject of labor practices, Repsol has specific management systems in place which are available at the corporate website **repsol.com**.

Furthermore, four individual actions have been assigned to this subject in Sustainability Plan, which 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 respond to them-

Labor Practices Program	
<p><b>Expectation:</b> Provide adequate training on all relevant issues concerning occupational health and safety to all personnel.</p>	<p><b>Expectation:</b> Promote consultation and cooperation between the company and its employees and their representatives, on issues of mutual interest.</p>
<p><b>Actions included in the program:</b></p> <ol style="list-style-type: none"> <li>1. Identify opportunities for continuous improvement of our health practices and implement health promotion programs.</li> <li>2. Identify opportunities for continuous improvement of our safety practices.</li> <li>3. Identify and implement best work environment practices into our U.S. office building.</li> <li>4. Identify opportunities for continuous improvement in workplace satisfaction through the use of employee surveys (internal and external); implement action plans accordingly.</li> </ol>	

- **Expectation: Provide adequate training on all relevant issues concerning occupational health and safety to all personnel.**

Through one of the actions included in the Plan, the company will provide safety training programs for the staff working in Repsol's installations. This action, to *identify opportunities for continuous improvement of our safety practices*, will cover not only Repsol's employees but also the contractors who carry out different activities for the company. Furthermore, our employees working in offshore operations will be specifically considered by the measure.

Repsol will also make an effort to promote wellbeing and health practices among their employees. For this purpose, the company has included an action in the Plan to *identify opportunities for continuous improvement of our health practices and implement health promotion programs*.

- **Expectation: Promote consultation and cooperation between the company and its employees and their representatives, on issues of mutual interest.**

Regarding consultation and cooperation on issues of mutual interest, the company periodically develops working climate surveys between their employees in order to know what the main issues are for them.

In this context, Repsol has included two actions in the present Plan aimed at *identifying and implementing best work environment practices into our U.S. office building*; and *identifying opportunities for continuous improvement in workplace satisfaction through the use of employee surveys [internal and external]; implementing action plans accordingly*.

Through the first of these actions, the company will implement some work environment practices in its new buildings to respond to the suggestions and concerns expressed by the employees in previous surveys. To then confirm that the measures taken have effectively enhanced employee satisfaction, specific questions will be included in a future survey which will be developed in the context of the second action.

Specific information on each of the actions included in the Labor practices programs of the current Plan is included in the tables below. These tables are sorted in chronological order according to the expected calendar for the implementation of the actions. The order, therefore, may not coincide with that indicated in this introduction:



<b>ACTION</b>	<b>Identify opportunities for continuous improvement of our safety practices.</b>
<b>DESCRIPTION</b>	We will carry out safety training programs for employees and contractors working in Repsol's installations.
<b>INDICATOR</b>	<ul style="list-style-type: none"> <li>- Number of safety training programs conducted.</li> <li>- Percentage of the office personnel and offshore employee trained.</li> </ul>
<b>YEAR OF IMPLEMENTATION</b>	2013-2014
<b>ACTION</b>	<b>Identify opportunities for continuous improvement of our health practices and implement health promotion programs.</b>
<b>DESCRIPTION</b>	We will launch health promotion programs offering information relevant to maintaining good health and wellbeing.
<b>INDICATOR</b>	Evidence of health promotion programs.
<b>YEAR OF IMPLEMENTATION</b>	2013-2014.
<b>ACTION</b>	<b>Identify and implement best work environment practices into our U.S. office building</b>
<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>- We will use results from employee satisfaction surveys to implement effective work environment practices in our new building.</li> <li>- We will conduct future surveys to confirm that practices enhance employee satisfaction.</li> </ul>
<b>INDICATOR</b>	Action plan defined and implemented based on survey results and employee feedback.
<b>YEAR OF IMPLEMENTATION</b>	2013-2014.

**ACTION**

**Identify opportunities for continuous improvement in workplace satisfaction through the use of employee surveys (internal and external); implement action plans accordingly.**

**DESCRIPTION**

We will administer employee surveys on workplace satisfaction; assess results.

**INDICATOR**

- Number of surveys distributed.
- Number of employees that took the surveys.
- Summary reports.

**YEAR OF IMPLEMENTATION**

2013-2014.

## 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 characterised by the carrying out of extractive or industrial activities in large installations.

Therefore, it is necessary that companies identify options that enable them to prevent these impacts, minimise them when unavoidable and correct them.

In order to respond to stakeholders' expectations in the subject of the Environment, Repsol has specific management systems in which are available at the corporate website **repsol.com**.

Additionally, Repsol has included another two actions in the Plan to respond to these expectations.

-Actions included in the Environmental program and a summary of the principal expectations that contribute to respond to them-

Environmental Program	
<b>Expectation:</b> Establish and maintain an environmental management system focused on continuous improvement.	<b>Expectation:</b> Take measures to improve efficiency in the use of resources.
<b>Actions included in the program:</b> <ol style="list-style-type: none"> <li>1. Incorporate plans for a sustainable workplace in our new U.S. office building and promote the new building's ecofriendly features.</li> <li>2. Identify opportunities for continuous improvement in our environmental practices.</li> </ol>	

- **Expectation: Establish and maintain an environmental management system focused on continuous improvement.**

The continuous improvement of our environmental performance is one of the main principles of the company's environmental strategy. In this regard, Repsol will implement an action to *identify opportunities for continuous improvement in our environmental practices*, which will consist in periodically performing an assessment of the gaps between existing standards and the current practices of the company. The results of these assessments will promote the identification of possible ways to make improvements in our activities.

- **Expectation: Take measures to improve efficiency in the use of resources.**

Oil and gas activities are very intensive in the use of various resources. This is why the promotion of measures to improve efficiency in these activities is another of Repsol's priorities with respect to its environmental performance.

In this context, the company has included an action in the Plan that is focused on its buildings and that complements other initiatives already implemented in exploration and production activities and in industrial processes.

The action, to *incorporate plans for a sustainable workplace in our new U.S. office building and promote the new building's ecofriendly features*, will entail the implementation of ecofriendly LEED features in the interior and exterior designs of the new building which will result in an important reduction in the consumption of resources associated with the facility's construction and operation.

Specific information on each of the actions included in the Environmental program of the current Plan is included in the tables below. These tables are sorted in chronological order according to the expected calendar for the implementation of the actions. The order, therefore, may not coincide with that indicated in this introduction:

ACTION	<b>Incorporate plans for a sustainable workplace in our new U.S. office building and promote the new building's ecofriendly features.</b>
DESCRIPTION	We will implement LEED features in the new building interior design and we will promote ecofriendly features in conjunction with the building landlord.
INDICATOR	<ul style="list-style-type: none"> <li>- LEED Certification.</li> <li>- Information about the ecofriendly features published in the website and internal channels.</li> </ul>
YEAR OF IMPLEMENTATION	2014
ACTION	<b>Identify opportunities for continuous improvement in our environmental practices.</b>
DESCRIPTION	<ul style="list-style-type: none"> <li>- We will assess gaps between standards and current practices as well as develop actions for improvement.</li> <li>- We will implement programs on environment protection according to international Corporate Responsibility Standards.</li> <li>- We will provide annual environmental training on compliance with standards.</li> </ul>
INDICATOR	<ul style="list-style-type: none"> <li>- Number of programs implemented.</li> <li>- Percentage of personnel trained on compliance with standards.</li> </ul>
YEAR OF IMPLEMENTATION	2013-2014

## Program 5

### Fair operating practices

Fair operating practices refer to the way in which organisations 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, responsible participation in the public sphere, the defence of fair competition, maintaining responsible behaviour, the respect of the right to property and, in general, the establishing of fair and transparent relationships with other organisations.

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

Additionally, as part of the Sustainability Plan for the United States, the company has included another two actions in this subject to respond to some of the expectations mentioned, such as those indicated below.

-Actions included in the Fair operating practices program and a summary of the principal expectations that contribute to respond to them-

Fair Operating Practices Program	
<p><b>Expectation:</b> Support and train employees in their efforts to avoid bribery and corruption.</p>	<p><b>Expectation:</b> Carry out an adequate due diligence and monitoring process of the organisations with which the company operates in order to avoid that the company's CSR commitments are affected.</p>
<p><b>Actions included in the program:</b></p> <ol style="list-style-type: none"> <li>1. Develop and implement annual Foreign Corrupt Practices Act (FCPA) training for employees.</li> <li>2. Assessing and monitoring suppliers and contractors' compliance with the company's health, safety, environmental and social standards.</li> </ol>	

- **Expectation: Support and train employees in their efforts to avoid bribery and corruption.**

In the context of this expectation, Repsol will implement an action focused on *developing and implementing annual Foreign Corrupt Practices Act (FCPA) training for employees*. Through this activity, the company will ensure employees' familiarity with the requirements of U.S. law and will also provide them with the most recent examples of them being enforced, as well as developments concerning this law.

- **Expectation: Carry out an adequate due diligence and monitoring process of the organisations with which the company operates in order to avoid that the company's CSR commitments are affected.**

Conscious of the potential risks that inappropriate conduct in our value chain could pose for the company, Repsol will implement a specific action focused on *assessing and monitoring suppliers and contractors' compliance with the company's health, safety, environmental and social standards*.

This action will consist in including in our bidding strategy the requirement for our suppliers and contractors to be qualified on the ISNetwork (online contractor database used by the company that collects information on health and safety and other sustainability aspects). Furthermore, on an annual basis and in the context of this initiative we will monitor our suppliers and contractors' compliance with the company's standards.

Specific information on each of the actions included in the Fair operating practices program of the current Plan is included in the tables below. These tables are sorted in chronological order according to the expected calendar for the implementation of the actions. The order, therefore, may not coincide with that indicated in this introduction:

<b>ACTION</b>	<b>Develop and implement annual Foreign Corrupt Practices Act (FCPA) training for employees.</b>
<b>DESCRIPTION</b>	We will implement and develop FCPA training programs for employees to ensure employee familiarity with the requirements of U.S. law and to provide them with the most recent examples of enforcement and developments under this law.
<b>INDICATOR</b>	- FCPA training program developed. - Percentage of employees trained.
<b>YEAR OF IMPLEMENTATION</b>	2013-2014

ACTION	<b>Assessing and monitoring suppliers and contractors' compliance with the company's health, safety, environmental and social standards.</b>
DESCRIPTION	<p>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.</p> <p>Annually, we will monitor consistency with Repsol's standards.</p>
INDICATOR	<ul style="list-style-type: none"> <li>- Implement requirement that suppliers' and contractors' are qualified in the ISNetwork.</li> <li>- Report and assess results annually.</li> </ul>
YEAR OF IMPLEMENTATION	2013-2014

## Program 6

# 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 organisation's activities might generate.

Repsol's community involvement aims to maximize the benefit of our local presence seeking local sustainable development; however, the company often has to take varying, and at times conflicting, community interests into account as it develops its community investment strategy.

In order to meet the expectations of its stakeholders in the area of community involvement and development, Repsol has specific management systems in place which are available at the corporate website **repsol.com**.

Additionally, as part of the Sustainability Plan for the United States, in its current edition, three actions have been included in the subject of community involvement and development to respond to some of the principal expectations identified by stakeholders, such as those shown below.

-Actions included in the Community involvement and development program and a summary of the principal expectations that contribute to respond to them-

Community Involvement And Development Program	
<p><b>Expectation:</b> Contribute to the development of local communities through job creation and collaboration with local companies.</p>	<p><b>Expectation:</b> Have a social investment policy in the communities located in the sphere of influence of operations that is in line with the company's business strategy.</p>
<p><b>Actions included in the program:</b></p> <ol style="list-style-type: none"> <li>1. Contribute to the economic development of local communities through collaboration with local companies.</li> <li>2. Enhance the company's visibility and reputation in the areas where Repsol has office and operations.</li> <li>3. Maximize the positive impacts of our social investment in the communities where Repsol's operations take place.</li> </ol>	

- **Expectation: Contribute to the development of local communities through job creation and collaboration with local companies.**

One of the main positive impacts of our activities on local communities is their potential to foster socioeconomic development.



In this context, Repsol will implement an action during the 2013-2014 periods to *contribute to the economic development of local communities through collaboration with local companies*. With this initiative, Repsol will continue considering the benefit of working with local companies in bidding processes.

- **Expectation: Have a social investment policy in the communities located in the sphere of influence of operations that is in line with the company's business strategy.**

In order to meet this expectation, the company has included one action in the Plan to *maximize the positive impacts of its presence in the communities where Repsol operates*.

With this action, the company will advance in the development and implementation of a Community Investment Plan which will establish its social investment priorities.

Furthermore, besides the approval of the Plan, Repsol will work to improve the efficiency of its investments, implementing for this purpose a Social Investment Reporting Tool designed to collect information on the initiatives carried out. Through the analysis of this information, the company will be able to take all the measures required to maximize its contribution to society.

Also, in the context of this expectation, Repsol will work on a second action to *enhance the company's visibility and reputation in the areas where Repsol has office and operations*. This initiative will consist in the design and implementation of a Strategic Reputation Plan which, through a list of defined actions, will seek to maximize the benefit of the Company's presence in local communities.

Specific information on each of the actions included in this program is included in the tables below. These tables are sorted in chronological order according to the expected calendar for the implementation of the actions. The order, therefore, may not coincide with that indicated in this introduction:

ACTION	<b>Contribute to the economic development of local communities through collaboration with local companies.</b>
DESCRIPTION	We will continue considering the benefit of working with local companies in the bidding processes.
INDICATOR	Include local content in tender evaluations.
YEAR OF IMPLEMENTATION	2013-2014

ACTION	<b>Maximize the positive impacts of our social investment in the communities where Repsol's operations take place.</b>
DESCRIPTION	<p>We will develop and implement a Community Investment Plan which will establish the priorities of our social investment.</p> <p>We will also implement a Social Investment Reporting tool to collect information about Social Investment in order to maximize the company's social investment.</p>
INDICATOR	<ul style="list-style-type: none"> <li>- Completion of the Community Investment Plan.</li> <li>- Implementation of the Social investment reporting tool.</li> </ul>
YEAR OF IMPLEMENTATION	2013-2014
ACTION	<b>Enhance the company's visibility and reputation in the areas where Repsol has office and operations.</b>
DESCRIPTION	We will design and implement a Strategic Reputation Plan with list of defined actions to maximize the benefit of the company's presence in local communities.
INDICATOR	<ul style="list-style-type: none"> <li>- Evidence of active local involvement.</li> <li>- Number of defined actions implemented.</li> <li>- Completion of Strategic Reputation Plan.</li> <li>- Number of improvement plan actions introduced per year.</li> </ul>
YEAR OF IMPLEMENTATION	2013-2014



## 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.

