

Corporate
Responsibility
Report

2014



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Part I: Profile

1. Strategy and Analysis

1.1. Message from the Chairman.



Antonio Brufau, Presidente de Repsol

In 2014 we continued to address the issue of sustainability in all its dimensions. This report gives you an account of our work.

As part of our commitment to combating climate change, we developed various initiatives that have reduced CO₂ by 452,000 tons, in line with our target of 1.9 million tons in the period 2014-2020.

During the year we worked on the development of new technologies to make our operations safer for people and for the environment, investing a total of €90 million in R&D.

In the area of safety, we launched HEADS (the Hydrocarbon Early Automatic Detection System), a tool designed to automatically detect hydrocarbon leaks in the sea, with a response time of less than two minutes. HEADS is the state of the art to equip offshore platform technology.

In October, we organized the first International Health and Safety Congress, bringing all company personnel employed in these areas together in one single event, during which we discussed the challenges facing us in the future.

In line with our firm commitment to respecting human rights, we have formally adhered to the “Voluntary Principles on Security and Human Rights” initiative.

Further, in 2014, we allocated €32.4 million to projects aimed at maximizing the shared value with local communities in our areas of operation.

We also held the first “Repsol Sustainability Day”, an event for analysts and investors with an interest in sustainability, where the key projects being rolled out in the different areas of the company were explained.

During the year we continued to develop our corporate responsibility model in different countries and operating facilities. Two new corporate responsibility committees were formed: one in Trinidad and Tobago, and another in the Petronor Industrial Facility in Spain. These committees are in addition to those already operating in Bolivia, Brazil, Colombia, Ecuador, Spain and Portugal, the USA, Peru and Venezuela and the industrial facilities in A Coruña, Cartagena, Puertollano and Tarragona. This allows us to learn and expand our skills to encompass the concerns and expectations of stakeholders when taking decisions that affect them. This is a key requirement to being granted what has been described as a “social license to operate”.

Society at large is increasingly aware of energy issues, which are often seen from conflictive points of view. The costs and benefits and opportunities and risks are not always fully understood and sometimes the energy industry is viewed with mistrust, despite being the supplier of a basic need for prosperity and well-being.

Our industry should address this lack of confidence to gain acceptance for energy development in the “global neighborhood”.

In other words, that the different stakeholders have to grant the energy industry a “license to operate.” Without that license, our activities may be delayed, hampered or even banned in practical or legal terms. Therefore it is crucial for our business to be able to identify and develop appropriate strategies to fully and systematically engage different stakeholders in large-scale industrial projects.

Stakeholder interests are expressed in different contexts: short or long term, local or global. Our industry is often under pressure to respond to local and short term interests. This is necessary but not enough. The Oil and Gas industry should also respond to a longer term global strategic outlook. What is the global framework that will give us a better understanding of what our stakeholders want in the long term? Energy is inextricably linked to key global concerns for the next few decades: climate change, water, food, public health and human rights. The oil and gas industry should not be part of the problem but part of the solution.

Without energy it is impossible to reach high levels of prosperity or fight against poverty. Without energy, human rights are a concept empty of meaning. The global society demands energy, and due to population growth and the huge emerging middle class, the oil and gas industry will remain the backbone of this demand. This is our stakeholders' primary expectation: we have to supply the energy they need.

The world population currently stands at 7,200 million, seven times more than in 1800. By the middle of the century, there will be 9,000 million people living on our planet. Demographic growth combined with the economic advancement of the emerging countries is swelling the middle classes. The "global middle class" will surge from 1,800 million people in 2009 to 4,800 million in 2030. In that year, 66% of the global middle class and 59% of its energy consumption will be in Asia.

The rise of the global middle class will be mirrored by an increase in energy consumption, the main indicator of prosperity. According to the International Energy Agency, this boom will cause global energy consumption to increase by 35% between 2010 and 2035. More than 90% of this growth will be in non-OECD countries.

Oil and gas, which accounted for 53% of the energy mix in 2011 and is slated to represent 51% in 2035, will remain the pillar of global expansion. During this period, these energy sources are expected to grow by 13% and 48%, respectively, in absolute terms.

Society as a whole requires the oil and gas industry to provide the energy it needs. It also expects us to make a huge effort to ensure the energy model develops in a more sustainable manner. While we are working towards this goal, our activities should respect the rights of local communities and the environment. The oil and gas industry must be perceived and considered to be an advocate of local and global sustainability.

In contrast with the increase in global energy demand, production at existing hydrocarbon deposits is starting to decline. To sustain 51% of the global energy mix in 2035, it will be necessary to obtain fossil fuels from non conventional sources and in frontier areas. This has triggered fresh social concerns and voices of opposition.

The large-scale exploitation of non conventional fossil fuels has created a new paradigm in the world energy scenario, providing resources that will be essential to broadening access to energy and prosperity and making the transition to a less carbon-intensive future possible.

The question is how to address the contradiction embodied by the increased demand due to a growing global middle class and the opposition of local and global communities to projects that are required to cover their needs. In my opinion, we must be more diligent in our efforts to understand, discuss and take on board the concerns and needs of all people affected positively or negatively by these projects. Fortunately we are not starting from scratch. We have made substantial progress on the learning curve in relation to sustainability and corporate responsibility and we consistently include best practices in our operations.

The main points of the sustainability agenda for our stakeholders, are, of course, safety and the environment, employment standards, supply chain management and, more recently, due diligence in the respect for human rights.

International standards such as the United Nations "Protect, Respect and Remedy" framework and its Guiding Principles on Business and Human Rights are a tool that provides the operating conditions that should lead to obtaining a "social license to operate".

I am convinced that human rights due diligence while taking on board the ethical and environmental management factors, will be a point of multi-stakeholder consensus in terms of what will be needed to obtain a "social license to operate" in the next few years.

One of the ethical factors I am referring to is the fight against international corruption. Many oil and gas companies are making an effort to improve the transparency of oil income to ensure these funds are better managed, but more companies still need to adhere to international framework agreements in this area, such as the Extractive Industries Transparency Initiative (EITI).

We are addressing all these factors, from safety and the environment to human rights and ethical behavior, not only in our activities but also in our entire value chain, including services companies and other contractors. We are aware that, in the eyes of our stakeholders, responsibility falls on our shoulders, regardless of who a contract says is responsible for each part of the operation and who bears the legal responsibility.

It is said that many corporate responsibility reports issued by large companies are complacent and lack self criticism. In response to this, I recognize that we have a lot of work to do to satisfy the social demands of many sectors. The world needs us but we must also assume our responsibilities. This means bringing environmental and social concerns to the forefront of our business activities. Not only at a local level. Responding to local problems is the easiest part of our job. We also have to be seen a trustworthy partner on a global agenda. Specifically, the oil and gas industry as a whole has to play a more active role in the transition to a more sustainable energy model.

The “social license to operate” locally or on a global level cannot be viewed as a struggle or a negotiation. It involves finding a way to cooperate that combines the rights, aspirations and goals of local communities with solutions to the global challenges we all face.

Antonio Brufau, Presidente de Repsol

1.2. Description of key impacts, risks and opportunities.

Information on this indicator is reported in the 2014 Management Report Section 8 Risk management.

2. Company profile

2.1. Company name.

Repsol S.A.

2.2. Primary brands and products and/or services.

Information on this indicator is reported in the 2014 Management Report Section 2.2 Business model, and Section 5.2. Downstream.

2.3. Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures.

Information on this indicator is reported in the 2014 Management Report Section 2.4 Corporate Governance.

2.4. Location of organization's headquarters.

Méndez Álvaro, 44
28045 Madrid Spain

2.5. Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.

Information on this indicator is reported in the 2014 Management Report Section 2.3 Our operating markets.

2.6. Nature of ownership and legal form.

Information on this indicator is reported in Repsol's 2014 Consolidated Annual Financial Statements. Section 1. General information.

2.7. Markets served (including geographical breakdown, sectors served and types of customers/ beneficiaries).

Information on this indicator is reported in the 2014 Management Report Section 2.2 Business model, Section 2.3. Our operating markets and chapter 5 Performance of our business areas.

2.8. Scale of the reporting organization.

Information on this indicator is reported in the 2014 Management Report Section 2. Our company, Section 2.2 Business model and Section 2.3 Our operating markets.

2.9. Significant changes during the reporting period regarding size, structure or ownership.

Information on this indicator is reported in the 2014 Management Report Section 1 Main events of the year.

2.10. Awards received in the reporting period.

Repsol has been acknowledged for its corporate responsibility performance. This is a reflection of our firm commitment to the ethical, environmental and social values that make up our corporate culture, and which define our contribution to sustainable development.

- Repsol is included in several international corporate responsibility rankings: We have been featured on the Dow Jones Sustainability Index since 2006, leading the Oil & Gas sector in 2011 and 2012. In 2014, we were still ranked in the Dow Jones Sustainability World and Dow Jones Sustainability Europe indices.
- We form part, as we have since 2003, of the FTSE4Good sustainability index, which recognizes the best-performing companies in environmental, social and governance issues.
- In 2014, we participated in the Carbon Disclosure Project (CDP), receiving one of the highest scores in our sector.

In 2014, Repsol was also recognized by a number of institutions for the development of sustainability and corporate responsibility-related actions in different countries:

February	Spain: Top Employers Seal. This certification allows us to use the Top Employers seal for a year, which is international recognition that Repsol has achieved the highest standard of excellence for its employees and that it strives to provide the best possible working environment. It also certifies that the company is responsible and sustainable.
March	Peru: <i>Soy Capaz</i> . Award given by the National Commission for Integration of Disabled People, recognizing Repsol as a leader in providing employment opportunities to disabled people in the country.
April	Spain: Award from the Business Innovation Observatory for the efficiency and effectiveness of people, for the company's use of cloud technologies for virtual learning. Granted by Bizpills.
May	Ecuador: Employer Branding delivered a diploma to Repsol accrediting the company as one of the most attractive employers in Ecuador. Spain: <ul style="list-style-type: none"> • The company has been granted a three-year extension in the use of the Corporate Equality Label by the Ministry of Health, Social Services and Equality. Repsol S.A earned this label in 2010 in recognition of its commitment to equal opportunities. • The International Institute of Political Science recognized in its Second Study on Work-Life Balance in Spain, carried out in 2014, that Repsol is the company with the most advanced strategies for encouraging work-life balance. • The Alares Foundation has granted Repsol the Third National Award for Excellence in the Prevention of Occupational Risks Specific to Disabled People. This award is further recognition of our integration policy for differently-abled people.
June	Ecuador: Repsol received public recognition from the Ecuadoran Institute of Social Security for its outstanding work in promoting a culture of occupational risk prevention, having achieved an effectiveness rate above 80% in the self-audit carried out. The recognition highlights work in occupational health and safety (OHS), and is the result of the integral OHS services Repsol carries out through its Medical Department and its Safety and Environment Unit. Spain: Repsol and its Foundation received the 25th Anniversary Award from Down Madrid in the category of private entity, for their commitment to the full social integration of disabled people.
July	Spain: Bequal Plus Seal: This certification, granted by the Bequal Foundation, constitutes recognition of our company policy, which consists of a firm commitment to equal opportunity, and of our management model for the integration of differently-abled people.
August	Spain: Diploma recognizing commitment and work in favor of gender equality. The LPG plant in Gijón received from the town council a diploma recognizing our commitment and work in support of Gender Equality in the Business World at the International Trade Fair of Asturias.
September	Ecuador: Fifth Edition of the Corresponsables Foundation Awards Repsol Ecuador received a diploma in recognition as a finalist in the Fifth Edition of the Corresponsables Foundation Awards, from among 345 candidates. Portugal: Repsol received dual recognition in the following categories: Other Entities and Special Award from the <i>Humana portuguesa</i> organization for its performance in Social And Environmental Responsibility and Social Support.

October	<p>Spain: “<i>Empresa con Poderes Mágicos</i>” Seal: This seal from the Spanish Federation of Parents of Children with Cancer recognizes Repsol as a company that is sensitive to the needs of this group, as it helps improve the quality of life of many children and adolescents with cancer.</p> <p>USA: Repsol received the 2014 World Oil Award for its HEADS project, in the category of Health, Safety, Environment/Sustainable Offshore Development. HEADS technology was developed in the Repsol Technology Center in collaboration with Indra, and has been used for the early detection of spills. The pilot installed in the Casablanca platform has been a success. Use of this technology has spread to other company platforms and is starting to be marketed externally.</p>
November	<p>Brazil: Repsol Sinopec Brasil won the Third Edition of the Spanish Sustainability Chamber in the category of Environment and Society for its project <i>Plataforma Educativa Repsol Sinopec</i>, which is focused on community development and people. This is an itinerant program that seeks to bring knowledge, skills and professional development to the coastal communities of the states of São Paulo, Rio de Janeiro and Espiritu Santo.</p> <p>Ecuador: Repsol received the <i>General Rumiñahui</i> Award for Good Social Responsibility Practices, Fifth Edition, 2014, in the Subcategory of Transparency and Accountability, organized by the provincial government of Pichincha jointly with EKOS, which acknowledges companies with responsible practices operating in the Pichincha province.</p> <p>Spain:</p> <ul style="list-style-type: none"> • The Repsol Head Office in Madrid received the <i>Actuaciones Accesibles</i> Award 2014 from the ONCE Foundation, as an architectural and engineering work of the utmost representation in which accessibility was treated in an exemplary manner. • The Repsol Lubricant, Asphalt and Specialised Products Business received the “best environmental practices” award from the Spanish Association of Asphalt Mix Manufacturers [ASEFMA]. <p>International: <i>IR Magazine</i> classified Repsol and, specifically, its Investor Relations department, as an example to be followed in good practices of communication and service to the investor community, considering the company a pioneer in its dialogue with this group.</p>
December	<p>Spain: The Spanish Global Compact Network celebrated its tenth anniversary in an event in which Repsol was acknowledged for its support for the UN network since its creation in 2003.</p>

3. Report parameters

3.1. Reporting period for information provided.

The information in this report relates to the year 2014. It may also include information from previous years when deemed relevant to understanding information from the current year.

3.2. Date of most recent previous report.

The 2013 Corporate Responsibility Report was published in the first half of 2014.

3.3. Reporting cycle.

Repsol publishes this report on an annual basis.

3.4. Contact point for questions regarding the report or its contents.

Questions, queries and suggestions can be sent to the suggestions mailbox: *(Repsol te escucha)*

View and download at repsol.com

Readers of this report may send questions, queries or suggestions, or any other matter related to the same, to “Repsol te escucha” at repsol.com.

This report is distributed by e-mail to the database of the company's stakeholders. It is also published at repsol.com, where it can be viewed and downloaded.

3.5. Process for defining report content.

Sustainability Reporting Guidelines

This report has been produced in accordance with the Global Reporting Initiative Sustainability Reporting Guidelines [version GRI 3.1], including the sector supplement for oil and gas companies, with the highest level of application. The text of the indicators matches the official translation of GRI in its [Sustainability Reporting Guidelines](#). The Report also meets the criteria of AA1000 AS 2008 standard of inclusiveness, materiality and responsiveness, and it has been verified under the AA1000 AS 2008 standard.

We define **materiality** as all the aspects the company includes in its Corporate Responsibility Report to reflect the economic, environmental and social effects of the same or that substantially influence the assessments and decisions of its stakeholders.

To determine materiality, we have combined internal factors, such as general mission and the competitive strategy of the organization, and external ones, such as the concerns and expectations directly expressed by stakeholders based on expectation identification studies carried out in 2014. These studies, which are based on the recommendations of the AA1000 standard, aim to identify and detail the concerns and expectations of Repsol's stakeholders at a corporate and local level with regard to the ethical, environmental and social performance of the company through its different businesses.

These studies are carried out at corporate level and in the countries where its main operations are based. First, the stakeholder map is identified and detailed, as described in 4.15.

In-depth interviews are carried out with a sample of around 100 representatives of the identified stakeholders, in addition to an exhaustive analysis of the international and local media.

The main issues identified were safety, management of environmental impacts, respect for human rights and management of impacts in communities in proximity to our operations, in addition to our relationships with these communities.

A noteworthy matter is the management of environmental impacts, which is a priority for Repsol, international organizations, shareholders and investors. In this field, our stakeholders attach great importance to combating climate change through implementation of the best available practices and technologies; the development of a specific policy with long-term objectives; establishing emission reduction targets and using carbon capture and storage technologies. Energy management and measures to prevent environmental impacts are also issues of concern.

Human rights is another topic raised by Repsol's stakeholders. It is especially important for leading international organizations and for non-governmental organizations. They are particularly interested in how the company manages the risk of human rights violations potentially caused by its own activity and those of its commercial relationships.

They also highlight the relationship with vulnerable groups, especially indigenous peoples, and the early repair of potential impacts on the rights of groups influenced by our activity.

With respect to community participation and development, the stakeholders surveyed agree on the importance of companies contributing to local wealth by generating employment and investing in the community. They also demand more collaboration with the academic sector in order to train qualified professionals; carry out R&D projects; support local companies and training and education for local communities.

Shareholders and investors place the greatest emphasis on issues related to the governance of the company, in relation to following of best practices by the Board of Directors and to communication and transparency with shareholders. All stakeholders agree that it is necessary to improve communication on the company's activities and the potential impacts of its activity.

In drawing up this Report, we have taken into account the document on transparency, communication and standards in sustainability reports and notes drawn up by the Spanish State Council for Corporate Social Responsibility [CERSE]. We have also taken note of the reports of the [Spanish Corporate Social Responsibility Observatory](#) and the [Social Responsibility Observatory of the General Workers Union \(UGT\)](#), among other organizations that analyze company reports and practices.

We have also benefited from the involvement of the company's main unions in Spain in drafting this report through the Corporate Social Responsibility [CSR] working group, which comprises representatives of the CCOO and UGT unions and representatives of the Repsol Labor Relations and Corporate Responsibility units.

- 3.6.** Boundary of the report [e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers].
- 3.7.** State any specific limitations on the scope or boundary of the report.
- 3.8.** Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations.
- 3.9.** Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.
- 3.10.** Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for these restatements [e.g. mergers/acquisitions, change of base years/periods, nature of business, or assessment methods].
- 3.11.** Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.

Response to indicators 3.6, 3.7, 3.8, 3.9, 3.10 and 3.11

This report includes information on Repsol's activities in the countries in which it is present. In most cases, when we refer to Repsol we mean the **Repsol Group**. When this is not the case, the scope of the reported information is specified and clarified.

In relation to the GRI indicators in this report, information provided in the company's other public reports will be reproduced verbatim, with reference to the complete name of the public report and the section(s) on which the response(s) are found.

The data underpinning the **environmental information** come from subsidiary companies in which we have a majority holding and/or operating control, and where we record 100% of emissions to the environment. In the case of greenhouse gases, we also include information on emissions from the company's activities in proportion to our holding in each of these companies, and the indirect emissions associated with purchasing energy from third parties and other relevant indirect emissions.

To facilitate data comparison over time, data for previous years has been adjusted in line with changes in the company's asset structure. The criteria for this change in baseline are explained in the oil industry guidelines [American Petroleum Institute –API- / The global oil and gas industry association for environmental and social issues –IPIECA- / Oil and Gas Producers –OGP-].

As regards **safety** issues, we include data for 100% of employees at subsidiary companies in which we have a majority holding and/or operating control. For employees of contractors, we include any activity under a direct contract with Repsol extending beyond one year.

The economic data included in this report has been prepared in accordance with the presentation criteria and accounting policies described in the Repsol Group's Consolidated Financial Statements. When preparing our consolidated financial statements, Repsol includes investments in all subsidiaries, associated companies and joint ventures. The full consolidation method is applied to all subsidiaries over which Repsol has direct or indirect control. This capacity is generally manifested in direct or indirect ownership of 50% or more of the company's political rights, giving it the present ability to direct significant activities and influence the amount of variable returns on activities to which the Group is exposed as a result of its involvement in the investee's activities. Stakes in arrangements in which Repsol holds joint control by virtue of a shareholders' agreement with third parties, where Repsol is entitled only to the net assets of the arrangements (joint ventures), and interests in associated companies in which Repsol has a significant influence (assumed in companies where the stake is equal to or greater than 20%) are recognized by the equity method, which means recording the net asset value and goodwill, if any, of the stake held in the joint venture in the consolidated balance sheet under "Investment accounted for using the equity method". The net result in each year of the percentage stake in such companies is reflected in the consolidated income statement as "Results of companies accounted for using the equity method net of taxes".

The **information on Repsol employees** refers to companies over which Repsol has direct management responsibility and control.

Social investment refers to all the activities carried out by Repsol and its two foundations (Repsol Foundation and Repsol Ecuador Foundation) involving payments to associations and contributions to the community and society in the places where we conduct our activities. Information on social investment has been provided for 100% of the operations in which we have operating control.

The other information reported herein (local communities, value chain, clients, etc.) corresponds to activity operated by Repsol unless otherwise specified.

All performance indicators in this report refer to the year 2014 of all Repsol companies that have a significant social, environmental or economic impact and whose management is under the effective control of the organization.

3.12. Table identifying the location of the Standard Disclosures in the report.

Due to its size, the GRI table of contents is found in Appendix 1 of this Report.

The GRI indicators table contains the indicator, the requirements set for the same, the section and the page of the report in which it is mentioned.

3.13. Policy and current practice with regard to seeking external assurance for the report.

The data in this report has been reviewed and verified by Deloitte, to ensure its reliability.

4. Governance, commitments and engagement

- 4.1.** Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational supervision.

Information on this indicator is reported in the 2014 Annual Corporate Governance Report Section C.

- 4.2.** Indicate whether the Chair of the highest governance body is also an executive officer.

Information on this indicator is reported in the 2014 Annual Corporate Governance Report Sections C. 1.22 and C.1.3.

- 4.3.** For organizations that have a unitary board structure, state the number of members of the chief governance body that are independent or non executive members.

Information on this indicator is reported in the 2014 Annual Corporate Governance Report Section C.1.

- 4.4.** Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.

Information on this indicator is reported in the Regulations of the Annual General Meeting - Articles 6 and 7.

- 4.5.** Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements), and the organization's performance (including social and environmental performance).

Information on this indicator is reported in the Annual Report on the Remuneration Policy of the Board of Directors.

4.6. Processes in place for the highest governance body to ensure conflicts of interest are avoided.

Information on this indicator is reported in the 2014 Annual Corporate Governance Report Section D.6.

4.7. Process for determining the qualifications, and expertise of the members of the highest governance body, in order to guide the organization's strategy in social, environmental and economic aspects.

Information on this indicator is reported in the 2014 Annual Corporate Governance Report Section C.1.9.

4.8. Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation.

Information on this indicator is reported in the 2014 Annual Corporate Governance Report Section F.1.2.

4.9. Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.

Information on this indicator is reported in the 2014 Annual Corporate Governance Report Sections C.2.3, C.2.4, F.1.1 and H.3. This information is also contained in articles 4 and 5 of the Regulations of the Board of Directors, which are available on the company website.

4.10. Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.

According to Article 11 of the Board of Directors Regulations, the Board of Directors assesses the operation, quality and efficiency of its work at least once a year. It also appraises the operation of its committees once a year, based on the reports they submit to it. Further, the Board of Directors Regulations state that the Board of Directors must commission a specialist independent company to conduct an external evaluation of its performance at times of its choosing, at least once every three years.

The Board of Directors carried out an external evaluation of its performance in 2014 through the specialist independent company Egon Zhender, which submits its report setting out conclusions to the Board of Directors. For more information, refer to section C.1.20 of the 2014 Annual Corporate Governance Report.

The Strategy, Investment and Corporate Social Responsibility Committee, pursuant to Article 34.5 of the Board Regulations, shall meet with the established frequency or whenever called by its chairman or requested by two of its members.

In 2014, one meeting of the Strategy, Investment and Corporate Social Responsibility Committee was held. A majority of the members were in attendance. The Strategy, Investments and Social Corporate Responsibility Committee agreed to submit a positive report on the 2013 Corporate Responsibility Report for approval by the Board of Directors and subsequent distribution to shareholders.

The Committee also examined, debated and issued proposals and reports on the company's sustainability plans and strategy, among other topics.

4.11. Explanation of whether and how the precautionary approach or principle is addressed by the organization.

Information on this indicator is reported in the 2014 Annual Corporate Governance Report Sections F and E.

4.12. Externally developed economic, environmental, and social charters, principles or other initiatives to which the organization subscribes or endorses.

Repsol takes part in different international initiatives and associations related to corporate responsibility and sustainability.

Repsol actively participates in the Spanish employers' association CEOE, in the **Policy Working Group on CSR and Businesses and Human Rights of the International Organization of Employers (IOE)**

Repsol plays a very active role in **IPIECA, the Global Oil And Gas Industry Association for Environmental and Social Issues**. Since 2002, IPIECA's efforts have focused on helping its member companies improve various aspects of the social, environmental and human rights performance of their management systems.

Repsol is a member of the Executive Committee and of the Planning Committee. It also takes an active part in different working groups, including: Biodiversity, Water, Climate Change, Health, Oil Spills, Reporting, Supply Chain and Social Responsibility. These groups work to establish and disseminate good social and environmental practices in the oil and gas sector.

Repsol is also a member of the **Social Responsibility Committee of the Regional Association of Oil, Gas And Biofuels Sector Companies in Latin America and the Caribbean (ARPEL)**. In August 2014, it organized a specific workshop on the United Nations Guiding Principles on Business and Human Rights, where it shared its internal implementation plan with other member companies. Repsol chairs the Human Talent and Knowledge Management Committee and it also participates in the Association's Occupational Health Project Team.

Repsol has been actively committed to the **UN Global Compact** since 2003.

The company is a member of local Global Compact networks in Spain, Bolivia and Ecuador. In Spain we have been on the Executive Committee of this organization since 2012. We also actively participate in the Human Rights Group, further strengthening our commitment to the dissemination of corporate responsibility and human rights among Spanish institutions.

In January 2014, Repsol sponsored the annual meeting of the European local networks, with the attendance of Walid Nagi, World Head of Local Network, along with representatives of the Global Compact local networks from 15 European countries.

**Extractive
Industries
Transparency
Initiative - EITI**

Repsol is a founding member of the **Extractive Industries Transparency Initiative (EITI)**, which seeks to promote transparency in the revenues host governments receive from extractive industries.

Repsol has reported information on the payments made to the governments of these countries under the terms established in each case. Repsol has been a member of the national working group in Peru since 2011, and it actively participates in the group in Trinidad and Tobago, which it has formally applied to join.

Repsol formally adhered to the **Voluntary Principles on Security and Human Rights** in March 2014, during the annual Plenary Session of the initiative.

Repsol also actively participates in other initiatives:

- **International Emissions Trading Association (IETA)**, which supports discussion and dissemination of issues related to carbon markets.
- **Center for Chemical Process Safety (CCPS)**, an association that works on improving the safety of processes by developing guides with a practical application to industry.
- **International Process Safety Group (IPSG)**, an association that promotes good safety practices, oriented towards prevention and mitigation of the risks of industrial accidents.
- **Mediterranean Oil Industry Group (MOIG)**, a regional forum for prevention of, preparation for and response to oil spills in the Mediterranean Sea.

4.13. Memberships in major associations (such as industry associations) and/or national and international advocacy organizations, in which the organization: Has positions in governance bodies; Participates in projects or committees; Provides substantial funding beyond membership dues; or Views membership as strategic.

The following are the most significant associations in which Repsol participates:

MOST SIGNIFICANT ASSOCIATIONS IN WHICH REPSOL PARTICIPATES	
International	<p>Oil and Gas Producers (OGP), an international organization that represents the Exploration and Production industry before international regulators and legislators, such as the UN and the World Bank.</p> <p>International Energy Agency (IEA), an inter-governmental organization that advises the 29 member countries on economic policy. These policies are based on ensuring energy supply, economic development and environmental protection.</p> <p>American European Community Association (AECA), a trans-Atlantic alliance that serves as a platform for discussion of key global issues relating to economics, politics and business. This is an independent, not-for-profit and non-partisan association, which facilitates open dialogue and debates on different topics, with the aim of improving cooperation and international understanding.</p> <p>European Foundation for Management and Development (EFMD), Repsol is a member of the governing board.</p> <p>European Foundation for Quality Management (EFQM), Repsol is a member of this foundation, which encourages organizations to achieve sustainable excellence through the participation of their leaders to learn, share and innovate, using the EFQM Excellence Model.</p>
Angola	<p>Associação das Companhias de Exploração e Produção de Angola (ACEPA). We participate in the Association of Exploration and Production Companies to discuss topics related to people management.</p> <p>Associação das Companhias de Exploração e Produção de Angola - Safety, Health and Environment (ACEPA-SHE), Repsol is a member of the committee of this association, where topics related to occupational health are discussed.</p>
Bolivia	<p>Bolivian Chamber of Hydrocarbons Repsol is a member of this body representing the oil sector.</p>
Brazil	<p>Overseas Security Advisory Council (OSAC), which promotes security cooperation among American private sector interests at a global level.</p> <p>Instituto Brasileiro de Petróleo, Gás e Biocombustíveis (IBP), an institution representing the oil sector aiming to improve the regulatory environment, disseminate information on the industry, promote technical development, protect the environment, safety and social responsibility.</p> <p>Ethos Institute, a public interest organization whose mission is to mobilize, encourage and assist companies in managing their socially responsible businesses, making them part of the building of a sustainable and fair society.</p>
Colombia	<p>Colombian Oil Association (ACP), Repsol is a member of this sector organization.</p>

MOST SIGNIFICANT ASSOCIATIONS IN WHICH REPSOL PARTICIPATES (cont.)

Ecuador	<p>American Society for Industrial Security (ASIS). Repsol Ecuador is a member of this organization dedicated to increasing the effectiveness and productivity of professional security.</p> <p>Hydrocarbon Industry Association of Ecuador (AIHE) Repsol is a member of this not-for-profit organization that fosters dialogue between member companies and the government, while supporting the growth of the hydrocarbon industry and the economic and social development of the country.</p> <p>Faro Group. Repsol Ecuador has been collaborating with this group since 2008 in the area of transparency of information specifically in relation to the hydrocarbons sector of Ecuador. The Faro Group is a research center that supports and promotes the active participation of civil society, the business sector and of government institutions in proposing, implementing and monitoring public, local and national policies aimed at consolidating an Ecuadoran state that is more efficient, equitable, inclusive and democratic. In 2010, Repsol Ecuador committed itself to the “Extracting Transparency” initiative of the Faro Group to increase transparency in the Ecuadoran oil sector through the design, implementation and monitoring of transparency standards agreed between the government, the private sector and civil society. An interactive educational resource was also developed to assist in comprehension of indicators and to allow for more user-friendly and intuitive dissemination of the information.</p>
Indonesia	<p>Production Sharing Contract Contractors Association. Repsol is a member of this association.</p>
Namibia	<p>Repsol Exploración Namibia is a founding member of the Namibian Petroleum Operators Association (NAMPOA)</p>
Norway	<p>Norwegian Gas & Oil Organization. Repsol coordinates the Ergonomy group.</p>
Peru	<p>National Business and Disability Network. We have organized this group jointly with the International Labor Organization. We have also presented our “Growing Together” plan to the Organization.</p> <p>Comando Conjunto de las Fuerzas Armadas (CCFFAA). In 2014, we participated in the Energy Infrastructure Security Committee.</p> <p>Comité de Seguridad de la Sociedad Nacional de Minería, Petróleo y Energía (SNMPE). Security Committee of the National Mining, Oil and Energy company. We participated in the Committee meeting held in 2014.</p>
Portugal	<p>GRACE. Repsol is a member of this body, which oversees reflection, promotion and development of corporate social responsibility initiatives.</p> <p>Instituto Português Corporate Governance (IPCG). Repsol is a member of this body.</p>
Spain	<p>Repsol is a member of the Corporate Social Responsibility Committee of the Confederación Española de Organizaciones Empresariales (CEOE). Within this Committee, it contributed its comments to the Spanish CSR strategy approved in 2014.</p> <p>Asociación Española de Compañías de Investigación, Exploración, Producción de Hidrocarburos y Almacenamiento Subterráneo (ACIEP). Spanish Association of Research, Exploration, Hydrocarbon Production and Underground Storage Companies.</p> <p>Repsol is the second vice-president of the Club Español de la Energía (Enerclub) (Spanish Energy Club) and it also chairs the Spanish Committee of the World Energy Council.</p> <p>American Productivity & Quality Center (APQC). Repsol is a member of this not-for-profit organization that promotes benchmarking of businesses, best practices and knowledge management studies, thus assisting organizations throughout the world to improve their productivity and quality, while identifying and disseminating effective methods of improvement.</p>

MOST SIGNIFICANT ASSOCIATIONS IN WHICH REPSOL PARTICIPATES (cont.)	
Spain	<p>Spanish Quality Association (AEC). Repsol chairs the innovation working group of the association. The aim of the group is to become a meeting place to explore, identify and jointly develop successful models and practices in the management of innovation and improvement. The association's activities include the sponsoring of the First Culture of Innovation Study in Spain, with the participation of 60 companies in 2014 and the support of the central government. The study, carried out in collaboration with Babson College in the US, is the largest worldwide initiative to analyze the culture of innovation at a country level.</p> <p>Repsol has updated its adherence to the Global "Responsible Care" Plan organized by the International Council of Chemical Associations and the European Council of Chemical Industries, which coordinates in Spain the Federación Empresarial de Industrias Químicas Españolas (FEIQUE) Business Federation of Spanish Chemical Industries).</p> <p>ESADE-Creapolis is an open innovation community centered on the ecosystem of ESADECREAPOLIS with the aim of inspiring, facilitating and accelerating innovation through access to networking, events, contents and support .</p> <p>Lean Community. Repsol is an active member of this community aiming to spread this culture and foster it in all product and service sectors. This platform allows for sharing experiences with the best professionals in order to convey this learning to partners' businesses and publicize cases of success, and share with the best by participating in benchmarking workshops where the keys to success are provided.</p>
Trinidad and Tobago	<p>Energy Sector Security Initiative (ESSI). We took part in the Operational Committee.</p> <p>Trinidad and Tobago American Chamber Security Committee. Repsol has chaired this committee.</p>
UK	<p>Healthy Working Lives. We have participated in this initiative aimed at employees. It seeks to create a safer, healthier and more motivating working environment.</p>

4.14. List of stakeholder groups engaged by the organization.

4.15. Basis for identification and selection of stakeholders with whom to engage.

Response to indicators 4.14 and 4.15:

The company, its corporate divisions and business units have all identified their stakeholders and have in place channels and mechanisms for dialogue and relations. We work proactively to identify and understand our stakeholders' expectations in relation to our corporate responsibility performance at corporate level, in our operating facilities and in the countries in which we operate, and to mainstream them into our internal decision-making processes.

Repsol structures relations with its stakeholders at three levels: corporate-wide, country-level and operating facility.

Relations at each of these levels require specific mechanisms adapted to their context in order to adequately identify their needs and expectations in relation to the company's ethical, social and environmental performance.

CORPORATE LEVEL	COUNTRY LEVEL	LOCAL LEVEL: OPERATING FACILITY
Employees	Employees	Employees
Members of the Worldwide Corporate Responsibility Committee	Members of the country Corporate Responsibility Committee	Members of the operating facility Management Committee
International global governance bodies <ul style="list-style-type: none"> • United Nations Global Compact, UNGC • United Nations Environment Programme, UNEP • World Business Council for Sustainable Development, WBCSD • European Commission: Enterprise and Industry Division • World Bank- International Finance Corporation-IFC • World Energy Council – WEC • World Economic Forum • International Labour Organization-ILO Sector organizations: <ul style="list-style-type: none"> • IPIECA • OGP • American Petroleum Institute - API 	Public bodies and institutions: <ul style="list-style-type: none"> • Central authorities • Regional authorities • Other influential public bodies (public ombudsmen, etc.) 	Public bodies and institutions: <ul style="list-style-type: none"> • Central authorities • Regional authorities • Local authorities • Other influential public bodies
Civil society <ul style="list-style-type: none"> • International NGOs of an ethical, social and environmental nature • International trade union federations and organizations • Other international civil society associations • Other international benchmarks or experts in sustainability 	Civil society <ul style="list-style-type: none"> • National NGOs of an ethical, social and environmental nature • Representatives of academia • National trade union federations and organizations • Indigenous federations or associations or in defense of other groups in country • Other national civil society associations of interest • Other benchmarks or experts 	Civil society <ul style="list-style-type: none"> • Local NGOs. Local academia • Local trade union federations and organizations • Business sector: local business associations • Other local business sectors that are potentially influenced by our activity [fishing, tourism, etc.] • Other local organizations (parents associations, housewives, brotherhoods of fishermen, etc.) • Neighborhood associations • Other local benchmarks or experts
International media	International, national and regional media	International, national, regional and local media Discussion forums
Shareholders, investors and analysts	Value chain: <ul style="list-style-type: none"> • Suppliers and contractors • Operating partners • Non-operating partners • Retail distributors and other commercial relationships in the country 	Value chain: <ul style="list-style-type: none"> • Local suppliers and contractors • Local partners • Other local commercial relations [carriers, etc.]

We apply a number of criteria for the identification and classification of stakeholders:

1. By responsibility: groups with which Repsol holds legal, financial and operating responsibilities under current regulations, contracts, policies or practices.
2. By influence: groups that may influence Repsol's capacity to comply with its objectives [people with informal influence of formal decision-making power].
3. By proximity: groups with which Repsol interacts, including internal stakeholders or those with long-term relationships with the organization.
4. By dependence: groups with higher degrees of dependence on the company, such as employees, clients, shareholders, investors and suppliers, among others.
5. By representation: groups that represent other groups or individuals through regulatory or cultural structures. For example: trade union representatives, directors, representatives of business organizations and representatives of civil society.

In accordance with these criteria, we draw up stakeholder maps that are later used to analyze expectations at the three levels: corporate, country and operating facility.

4.16. Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

We identify stakeholders systematically, applying the methodology described in the preceding section at three levels: corporate-level, country-level and in the main operating facilities. Based on this identification, we carry out studies to identify expectations.

In these studies, we conduct in-depth interviews with stakeholder representatives and obtain a specific list of their concerns and expectations in relation to the company's ethical, social and environmental performance.

In 2014, nine expectation identification studies were carried out: one at a worldwide level, three in different countries and five in operating facilities. In the first half of the year, expectation identification studies were drawn up in Brazil and Colombia, and in the industrial facilities of A Coruña, Cartagena, Puertollano and Tarragona. At the end of the year, the studies for Venezuela and the Petronor industrial facility were completed.

These nine studies enabled us to identify more than 2,500 expectations. These studies were supplemented with the opinions of company individuals, specific studies of other Repsol units and the expectations arising from international and sector standards related to sustainability.

In addition to the expectation identification studies carried out in 2014, Repsol has numerous mechanisms for dialogue with its stakeholders: these are listed below by category:

Employees:

Following the results of the 2014 Climate Survey, we prepared cross-company action plans aimed at improving "Development," "Innovation," and "Recognition," which were the three lowest-rated dimensions.

Working teams have been created, comprising people from the People and Organization Executive Department and from different Businesses and Corporate Divisions, to analyze the plans.

Diversity in the working groups is key to contribute value to projects, owing to the different origins and outlooks of team members.

These plans have taken the form of six projects, two in each area of improvement:

Development

- A “development counselor”, with the aim of institutionalizing a figure to help employees manage and take responsibility for their own professional development, and support the boss to continue being the development driver of their teams and define development indicators.
- “Discover development in Repsol”, the purpose of which is to clarify the meaning and scope of “professional development in the company”, defining the actions this may be based on and the role of people in development.

Innovation

- “The opportunity that leads us to error” to enable the creation of an environment that allows for learning from mistakes by means of a culture of learning, understand the causes, handle them with transparency and reduce their number and impact.
- “Enjoying change” aimed at helping people and teams understand change as a lever of innovation and continuous improvement, and as something that can be enjoyed.

Recognition

- “Rectification of conduct inconsistent with Repsol values” to help us achieve an effective and coherent culture of recognition, making it a competitive edge for the company and boosting its differentiation. This project will also involve an adaptation of our performance and compensation systems.
- “Recognition of role models” with the aim of identifying, making visible and recognizing exemplary individuals who manifest sought-after traits and influence the group around them.

These action plans have been integrated in the business objectives and the corporate areas, with monitoring and measurement of improvements in order to ascertain their impact and effectiveness.

At the same time, businesses and corporate areas have defined their specific action plans to be implemented in 2015.

Towards the end of 2014, an event was held to acknowledge the work of the six teams that participated in the cross-company climate action projects. The participants' bosses, directors and people from the area of expertise took part in the event, both from compensation and recognition and from development and innovation.

In addition to climate studies, there are two main reasons for employee communications strategy:

- To inform employees about the Repsol project.
- To provide them with everything they need to perform their role and develop as professionals.

A range of communication tools are available to Repsol employees:

Communication channels	Description	Use and target audience
Claves newsletter	This weekly digital newsletter is aimed at all Repsol managers and heads, focusing on management news and issues to help managers improve their knowledge of the company. It also contains interviews on the projects being carried out by different businesses to improve efficiency, safety and the environment, and the monitoring of business performance, among other topics.	At least 56 issues a year. Targeted at more than 4,000 Repsol heads and managers. Published in Spanish, English and Portuguese
Entre Nosotros newsletter	A fortnightly digital newsletter sent to all Repsol employees by email, including current business information and reporting progress on our strategic plan. It also contains reports on company projects that boost some of Repsol's strategic lines, such as innovation, the environment and sustainability. This newsletter takes a human approach, featuring employee reactions in many of the stories.	25 issues a year. Targeted at more than 16,000 Repsol employees. Published in Spanish, English and Portuguese
Intranet news	This channel is aimed at every employee with intranet access. It includes company news, information employees need to do their jobs, on the organization, announcements of conferences and talks, among other topics.	More than 40 news items and banners published a month at three levels: Madrid, Spain and International. Targeted at 16,000 employees with intranet access in Repsol
Conecta magazine	Magazine for all company employees and their families. It reports on the diversification and international expansion of Repsol's activities.	Three issues published in 2014, with 25,000 printed copies per issue.
Digital billboards	Digital channel for all employees located in 11 Repsol centers (Madrid offices, operating facility in Puertollano, LPG factories in Spain and offices in Brazil, Colombia, the United States and Norway). These billboards display news and information on services for employees of each center.	Between 10 and 15 new corporate content items each week. More than 100 screens installed in five countries: Brazil, Colombia, Ecuador, Spain, the United States and Norway.
Billboards	This channel is aimed at employees who do not have access to the corporate network, particularly in operating facilities and service stations. We use these to report significant events and business news relating to the company.	About 200 news items published on billboards in 2014/Potential audience: all employees, except those on the Campus.
Corporate social network	A corporate social network for all Repsol employees. A space for discussion and collaboration. It enables teams in different business areas to work together to achieve their objectives, and encourages active listening and multi-direction communication.	On-line space accessible on the company intranet. This service is for all Repsol internal employees.

Also, the Employee Service Desk (SAE) provides information, answers questions and carries out administrative tasks of different kinds at the employee's request, depending on the country. The SAE carries out monthly satisfaction and surveys. The results are used to organize workshops to identify improvements that will result in higher employee satisfaction.

Unions:

The Union Network is a voluntary communication channel between the company and union representatives to discuss issues of interest to both sides, including social responsibility issues and analysis of Repsol's business situation. The Union Network encourages attendance at its meetings by local oil and gas unions in the Latin American countries in which we are most active.

The company has established channels for communication and dialogue with employee representatives to discuss issues of interest to employees and seek agreement¹:

- In **Algeria**, the company has set up channels of communication and dialogue through the workers' representative.
- In **Canada**, the Joint Health and Safety Committee met 12 times in 2014.
- In **Colombia** Repsol has a *Comité de Convivencia*.
- In **Ecuador**, the Workplace Health and Safety Committee met 16 times.
- In **Norway**, the Working Environment Committee organised three meetings in 2014.
- In **Peru**, there is a *Comité de Alimentación* (Food Committee), which held four meetings during the year. The Health and Safety Committee held 10 meetings. Joint meetings were also held with the unions. One meeting was held by REGAPESA (Repsol Gas Perú, S.A.) to set the terms of negotiation for 2015. At RELAPASA (Refinería La Pampilla, S.A.), a collective bargaining agreement was signed for 2014-2015.
- In **Portugal** the *Comissão de Trabalhadores* (workers' committee) held seven meetings. Additionally, one meeting was held with the union COFESINT. There is also an OHS committee called the *Comissão de Segurança e Saúde no Trabalho*. Two collective agreements have been signed in this country, in addition to one partnership agreement.
- The employees of **Repsol Sinopec Brasil** are represented by the union SINDIPETRO. Three meetings with the union were held in 2014. There is also an Internal Accident Prevention Committee.
- In **Spain** channels have been set up through the monitoring or assurance committees and the negotiating commissions of Group companies. Repsol and workers' representatives held 62 meetings in 2014, some of which led to the signing of three agreements: the Seventh Framework Agreement; the Sixth and Seventh Union Agreements of Campsared, and the RIPSAs Collective Bargaining Agreement (Repsol Investigaciones Petrolíferas, S.A.).
- Repsol Exploration and Production of **Trinidad and Tobago** held a meeting with the Banking, Insurance and General Workers Union to sign an agreement on a pay raise.
- **Venezuela** has an Workplace Health and Safety Committee.

¹ The number of meetings reported for each country refers to meetings for which official records have been prepared. Meetings were also held in countries for which no official records were prepared.

Another example of dialogue with workers' representatives at an international level is the European Company Committee, which met on 25 and 26 November 2014.

Also, the [corporate responsibility working group with trade unions](#) held a meeting that addressed the following topics, among others:

Corporate
responsibility
working group
with trade unions

- Training in corporate responsibility to be provided in operating facilities.
- Meeting of the Latin America Union Network.
- Review of comments on the 2013 Corporate Responsibility Report.
- Alcohol and drug use prevention program.

Minority shareholders:

In 2014, “[Repsol en Acción](#)” cemented its position as the model of servicing the company's minority shareholders. In June 2014, Repsol's Investor Relations model was recognized by *Foro de Buen Gobierno y Accionariado* (Good Governance and Shareholders Forum) as the most complete initiative on shareholder communications in the IBEX. It offers shareholders a comprehensive system of communication, allowing them to get to know and experience the reality of the company first hand. The Forum singled out the creation of an Advisory Committee. Comprising 12 members, its mission is to convey shareholders' opinions and concerns to company management.

Repsol en Acción

Repsol en Acción aims to bring the company and its minority shareholders closer together and make communications between them more fluid. The *Repsol en Acción* loyalty program, through which the benefits the company offers to shareholders are organized, had approximately 39,000 members at year-end 2014. The program's benefits are provided through the *Repsol Más Accionista* card, Repsol's first multi-benefit card.

Repsol en Acción also held 90 events with shareholders in 2014. Of these, the roadshows for shareholders are worthy of note. In these roadshows, the results, strategy and other milestones of the company are explained in detail to groups of shareholders in the cities where they live.

Repsol also has a permanent office for minority shareholders and a call center with a toll-free number to provide, during working hours, information or to resolve any queries that they may have. The call center and the shareholders' office fielded approximately 41,000 phone calls in 2014.

Investors:

In 2014, Investor Relations consolidated its model for servicing socially responsible investors² (ESG), which are becoming more numerous among Repsol's shareholders.

One of the most noteworthy events held during the year was the Repsol Sustainability Day for these investors, in which the most significant actions carried out by different areas of the company relating to sustainability were explained. A number of practical cases were discussed, such as the company's CO₂ emission reduction program, good practices in safety and the environment, and the application of the indigenous communities relations policy, among others.

² Investors with valuation criteria that include ethical, social and environmental matters, called ESG (environmental, social and governance) investors.

Monitoring of communication with ESG investors has also been consolidated through attendance of specific conferences and of eight roadshows held in six different cities, in which visits were held with a total of 64 investors. The company's senior management has also kept up its commitment to dialogue with this group, and the Chief Executive Officer Jose Jon Imaz held roadshows in Amsterdam, London and Paris, meeting with investors to discuss sustainability topics.

In 2015, a report on engagement with socially responsible investors will be published. Similar to the one published in 2014, it will address the most significant topics discussed in these events.

The management of Investor Relations has not only stayed engaged with Repsol's main institutional investors, but has also achieved greater depth in the opening of new markets not previously visited in order to broaden our shareholder base. For this reason, visits were made to new investors in Brazil, South Africa and Poland, among others.

Contact with more than 800 investors was made through visits to Repsol offices, attendance at 19 conferences and 31 roadshows.

Repsol proactively adjusts its communication to the market's information needs and, in addition to customary investor relations activities, roadshows were held where senior management explained to investors and analysts the agreement signed with Talisman Energy for its potential acquisition.

Public bodies:

Repsol engages in dialogue with public bodies in the countries where it operates.

The following are some examples of dialogue with public bodies:

- In **Bolivia**, the company participated in the Second Meeting of the Iberoamerican Program for Awareness-Raising and Dissemination among Latin American countries of National Plans on Companies and Human Rights.
- In **Colombia**, the company has joined multi-sector working groups with the Ministry of Defense, the Ministry of Interior, the Colombian Petroleum Association (ACP), the National Hydrocarbons Agency and with different industry operators in the field of corporate security. At an international level, the company took part in the "Iberoamerica Includes" forum held on November 27 and 28 at the CES University of Medellin, Colombia. The company had the opportunity to share with local benchmarks its "Good company practices in supporting the employment of disabled people".
- In **Peru**, Repsol spoke at the conference organized by the Ministry of Women and Vulnerable Groups and presented the company as an example of success in the field of employment opportunities. It also presented the *Creciendo Juntas* plan in the Congress of the National Mining and Petroleum Company of Peru.
- In **Spain**, we took part in the technical workshops of the *Red de empresas con distintivo de Igualdad en la Empresa* (DIE) called by the Ministry of Health, Social Services and Equality, and through eRoom.

Civil society:

The company has a firm commitment to open and transparent dialogue with all civil society organizations, and not only pro-business ones, as the basis for moving forward in sustainability and social responsibility.

In 2014, Repsol participated in the following international multi-stakeholder events:

- **Second International Conference** - The right to advance consultation in practice: challenges and opportunities in the Andean Region. On October 27 and 28, the Second International Conference on the Right to Free, Informed and Advance Consultation was held in Cartagena de Indias. The conference was promoted by GiZ (the German Development Cooperation Agency), the AECID (the Spanish International Development Cooperation Agency), the Office of the High Commissioner for Human Rights and the UN Global Compact Regional Centre for Latin America.
- **The Third UN International Forum on Business and Human Rights**, which was held from December 1-3, 2014 in Geneva, Switzerland. Nearly 2,000 people from over 100 countries registered for this third forum, with representation of civil society, states and companies. The Forum has been held on an annual basis since 2011, under the leadership of the working group on human rights and transnational companies and other companies, pursuant to the mandate of the UN Human Rights Council. The Forum seeks to discuss trends and implementation of the Guiding Principles on Business and Human Rights, and to promote dialogue and cooperation on issues linked to business and human rights, including challenges of particular sectors, operational environments or in relation to specific rights or groups, as well as identify good practices.

A few examples of Repsol's participation in dialogue initiatives with civil society organizations:

- Participation in the study carried by an international development NGO on the tax contribution of IBEX 35 companies, both in national and international operations. This study covers a number of aspects, such as the degree of transparency, presence in tax havens, or information on corporate tax policies.
- Participation in the "2014 extractive pilot: Preliminary Study of the Oil and Gas Sector", carried out by UNICEF. After publication of "Children's Rights and Business Principles" in 2012, the United Nations Agency has worked to determine the level of implementation of the Principles in different sectors. Repsol has contributed a study sharing its corporate framework of reference and its experiences in different countries in relation to identifying and managing potential impacts on children's rights.

Academic sector:

The following is a summary of some of Repsol's actions of collaboration with the academic sector.

- Collaboration in the publication of a book entitled *Universidades Corporativas: 10 casos de éxito*, by the publisher UOC.
- Participation in conferences on dual occupational training as a path towards employment for young people.
- Signing of agreements with Spanish Autonomous Communities for participation in dual occupational training in operating facilities (A Coruña, Cartagena, Gaglianico (Cantabria), Puertollano and Tarragona) and the four offices in Madrid.
- Organization of first day of conferences on "Good practices in policy of employment of differently-abled people", continuing with activities oriented towards favoring the employability of disabled people, aimed at companies, providers of employment, entities dedicated to the employment of differently-abled people, and universities, such as those responsible for the training of professionals prior to their entry to the labor market. In the

event, actions implemented by each of the participants were shared, in addition to good practices, and synergies were sought to combine forces to offer greater employment opportunities to this group.

- Repsol Sinopec Brasil sponsored the university extension program UNESCO Chair Latin America Memorial to research the topic "Political processes in contemporary Latin America: history, political culture and democratization in an age of global change".

Value chain:

Repsol has channels of communication with suppliers. The main channel is the Suppliers and Contractors area at repsol.com.

The purchasing and contracting area is working on a Supplier's Portal, where suppliers and contractors will have access to all information on their processes with the company, in addition to all information and documentation Repsol deems relevant.

In **Bolivia**, Repsol participates in the monthly meetings organized in the Bolivian Hydrocarbons Chamber to address issues of corporate responsibility with private security companies.

In **Ecuador**, the security managers of sector companies regularly meet to exchange information and good practices.

Repsol Sinopec Brasil is part of the National Organization of the Petroleum Industry (ONIP) which has a specific supplier base (CADFOR) for oil and gas operations. The purpose of the project is to promote the inclusion of new local suppliers to the database, with the essential aim of increasing the contracting of local suppliers to meet the demands for local content and, hence, the development of local industry and employment.

In **Spain**, the Liquefied Petroleum Gas (LPG) business has disseminated and assured awareness of its Ethics and Conduct Code among local suppliers, through a contractor management platform.

Customers:

In Portugal service stations, a training program has been organized in customer service, following an external evaluation of the operating quality of service stations (mystery shopper).

In Peru, a number of promotions have been launched in relation to the loyalty program with the airline LAN. Repsol customers can accumulate flight kilometers with LAN when making purchases at service stations.

In the direct sales business in Spain, a number of actions have been carried out with retail distributors:

- Organization of technical conferences (Agro, Fleets)
- Technical conferences in the cement sector (for coke clients).
- Technical support for retail distributors and ports managed by third parties in ISO certifications.
- University Expert Course offered to retail distributors

In Portugal, the Direct Sales unit has organized the following:

- Conferences on Quality and Safety: visits were made to customer facilities to validate the quality of stored products and the safety of their facilities: lectures were also given on our logistics and the quality of the products supplied by Repsol.
- Differentiation Meetings: meetings were held with our clients to present our products and services.
- Proximity initiatives: meetings with distributors in our storage terminals.

The Lubricant, Asphalt and Specialised Products unit has set in motion the following actions:

- Creation of working teams by lines and cross-company areas.
- Incident resolution: monthly reports have been drawn up and a multi-disciplinary team for study and resolution created.
- The departments of Lubricant Technical Support and Sales have given technical courses to lubricant distributors.
- Personalized customer response managed by a Lubricant technical support technician.
- Support for a number of projects led and coordinated by cross-company areas: Operating Excellence, International Training Courses, Microsite Marketing.

In LPG Ecuador the following actions have been adopted in response to its customers' demands:

- Restructuring and standardizing of post-sales processes.
- Drawing up of instructions for collaborators, installers and distributors.
- Drawing up of customer service policy.
- Development of forms for communications with customers, post-sales brochures.
- Training in communication and customer service of all personnel of company and collaborator companies.
- Virtual communications to all personnel to remind them of information related to customer service.

In Peru, the LPG business has rerouted calls to the customer service center to exclusive operators to record telephone grievances that are then forwarded to business managers for study. The application "Altitud" was also implemented for the recording and classification of calls.

Local communities affected by our operations:

Repsol's Public Advisory Panel is a meeting and communications tool to channel relations between company operating facilities and society. It is a working group made up of representatives of the community and Repsol who meet regularly to address issues of mutual interest.

The panel fulfils one of Repsol's highest priority objectives: to establish stable agreements in the areas where the company carries out its business activities.

This priority can be broken down into the following objectives:

- To improve the incorporation of the facility into its surroundings.
- To establish frequent two-way communication between Repsol and local communities in the areas affected by its operations.
- To understand the concerns of society and establish on-going communication to improve relations and connections between the company and society.

The Public Advisory Panel is in place in Puertollano, Cartagena and Tarragona.

In May, Repsol's Madrid head offices hosted a visit by four indigenous representatives from the city of Nuiqsut in the North Slope Borough of Alaska.

During the visit, the Nuiqsut delegation met with the Executive Director of Exploration and Production to hear his opinion and share information on Repsol's operations in Alaska. They also met with the Director of Safety and the Environment, the Director of Corporate Responsibility and Institutional Services, and the Repsol Corporate Responsibility Team. The meetings addressed social and environmental issues related to Repsol's operations in Alaska.

The delegation also visited the Repsol Technology Center and the Repsol Refinery and Chemical Facility at Puertollano. Both visits allowed the visitors to become more acquainted with the scope and commitment of the initiatives carried by Repsol in the community. Given that the campaign in Alaska is in an exploratory phase, the delegation wished to learn about some of Repsol's long-term operations.

On the last day, the delegation met with a group of Latin American indigenous leaders who are studying in the Carlos III University.

In June, Repsol representatives visited the North Slope Borough as guests of the Nuiqsut community in their Nalukataq, the traditional festival of the community.

Communities neighboring our industrial facilities:

Canada:

Industrial and/or chemical facility	Communities in the area	Engagement activities	Agreements
Canaport	Saint John and surrounding area: 120,000 inhabitants.	Frequent meetings to report on operations. Information newsletters distributed among the community to keep people informed of activities at the terminal. Monthly meetings with the community relations committee to report back and interact with members and exchange ideas Frequent sending of letters and updating local people and other community stakeholders to inform them of activities at the terminal.	Support for educational, environmental and leisure projects focusing on developing young people.

Peru:

Industrial and/or chemical facility	Communities in the area	Engagement activities	Agreements
La Pampilla	Ventanilla district: 300,000 inhabitants. ³	There has been no dialogue process.	No agreements have been necessary.

³ The 11th Population Census and 6th Housing Census 2007 established the population at 277,897. At www.inei.gob.pe

Portugal:

Industrial and/or chemical facility	Communities in the area	Engagement activities	Agreements
Sines	Santiago de Cacém: 29,749 inhabitants. Sines: 14,238 inhabitants.	Direct contact with communities. Tours for local people and school groups.	Social and cultural development program, formalized through an annual donation program with each municipality.

Spain:

Industrial and/or chemical facility	Communities in the area	Engagement activities	Agreements
A Coruña	Autonomous Community of Galicia	Official dialogue with the Vice-president's Office and the Department of Culture, Education, Universities, Environment and Industry.	Short story award. Dual professional training agreement. Agreement for dissemination of and simulations under the exterior emergencies plan
	A Coruña: 250,000 inhabitants.	Regular meetings with local residents' associations.	Official collaboration with A Coruña and the Arteixo city hall.
	Neighborhoods: Castros, Ventorillo, Rosales, Castrillón and de las Flores	24-hour helpline for complaints. Contact with municipal government representatives.	Galicia Symphony Orchestra. Professional training grants. Support for local projects.
	A Coruña, Bens area: 500 inhabitants.		Collaboration in educational projects and with civic centers.
	A Coruña, Nostián area: 100 inhabitants.		Contribution to sports and cultural events.
	Arteixo: 30,500 inhabitants		
	Arteixo, Meicende area: 4,000 inhabitants. Arteixo, Borroa area: 50 inhabitants.		

Industrial and/or chemical facility	Communities in the area	Engagement activities	Agreements
Cartagena	<p>Alumbres: 3,500 inhabitants.</p> <p>Cartagena: 218,244 inhabitants.</p>	<p>Collaboration meetings with social, administrative and educational bodies.</p> <p>Official participation in public events with administrative bodies, particularly with Cartagena City Hall.</p> <p>Six-monthly meetings involving neighbors' associations.</p> <p>Educational visits to the industrial facility for schools and colleges, other interested parties and social and official representatives.</p> <p>Meetings with the media.</p> <p>Website for the industrial facility to inform the local community of topics of interest.</p>	<p>Economic and educational agreements with NGOs, public bodies and universities for scientific and social development in the area.</p> <p>Economic cooperation and sponsorship agreement for social and cultural activities.</p>
Dynasol	<p>Elechas: 423 inhabitants.</p> <p>El Astillero: 17,938 inhabitants.</p> <p>Gajano: 446 inhabitants.</p> <p>Heras: 750 inhabitants.</p> <p>Pontejos: 1341 inhabitants.</p> <p>Rubayo: 529 inhabitants.</p>	<p>Meetings with local councils in Gajano and Pontejos.</p> <p>Regular meetings with the municipal authorities.</p> <p>Meetings with charity, cultural and sports associations in the area.</p> <p>Meetings with educational institutions.</p> <p>Participation in the University of Cantabria business forum.</p> <p>Visits from educational institutions.</p> <p>Participation in solidarity campaigns.</p> <p>Open house for residents and local associations.</p> <p>Collaboration with local cultural and sports activities.</p> <p>Meetings with representatives of the authorities (representative of the central government, of the government of Cantabria, etc.).</p>	<p>Support for initiatives undertaken by local institutions, such as environmental events, educational forums etc.</p> <p>Agreement with the Education Department of Cantabria for the implementation of dual occupational training in the facility.</p> <p>Participation in basic industry forum on sustainable development.</p> <p>Participation in the "Cantabria Responsable" program [corporate social responsibility forum led by the department of industry of Cantabria].</p> <p>http://www.cantabriaresponsable.com/</p>
General Química	<p>Lantarón: 950 inhabitants.</p> <p>Miranda del Ebro: 39,000 inhabitants.</p> <p>Vitoria: 250,000 inhabitants.</p>	<p>Meetings with educational institutions.</p> <p>Visits of educational institutions.</p> <p>Collaboration with cultural and sports activities..</p>	<p>Collaboration agreements with educational institutions of occupational and university training for internships in the center.</p>

Industrial and/or chemical facility	Communities in the area	Engagement activities	Agreements
Petronor	<p>Abanto and Zierbena: 9,200 inhabitants.</p> <p>Muskiz: 7,400 inhabitants.</p> <p>Zierbena: 1,200 inhabitants.</p>	<p>Regular meetings with local government bodies, particularly the city hall and its representatives.</p> <p>Regular meetings with local government bodies, particularly the city hall.</p> <p>Participation by the company in the monitoring committee for Petronor activities.</p> <p>Information on start up and shut down processes for the facilities.</p> <p>Regular meetings with local government bodies, particularly the city hall and its representatives.</p>	<p>Sponsorship of sports and cultural activities.</p> <p>Agreement for the assignment of land with municipal equipment.</p> <p>Financing of activities for associations.</p>
Puertollano	Puertollano: 52,000 inhabitants.	<p>The Public Advisory Panel held six meetings to deal with aspects relating to the Puertollano facility and the company.</p> <p>Meeting with Local Federation of Neighbors' Associations.</p> <p>Meetings with the Environment Department and two with the local sustainability council.</p> <p>On-going contact with local, provincial and regional government bodies.</p> <p>Visits to the industrial facility by schools, colleges, universities and local associations.</p> <p>Website for the industrial facility to inform the local community of topics of interest.</p> <p>Official involvement in public events in Puertollano.</p>	<p>Cooperation agreement with the Municipal Sports Trust for sporting activities for children and young people.</p> <p>Cooperation agreement with Puertollano City Hall for the promotion of cultural activities for the community as a whole.</p> <p>Cooperation agreements with social bodies to promote social, cultural and sports activities.</p>

Industrial and/or chemical facility	Communities in the area	Engagement activities	Agreements
Tarragona	<p>Territorial environment of industrial facility:</p> <p>La Pobla de Mafumet: 2,810 inhabitants.</p> <p>El Morell: 3,445 inhabitants.</p> <p>Perafort: 1,230 inhabitants.</p> <p>Constantí: 6,592 inhabitants.</p> <p>Southern area:</p> <p>La Canoja: 5,673 inhabitants.</p> <p>Tarragona: 134,085 inhabitants.</p> <p>Docks:</p> <p>Vilaseca: 21,839 inhabitants.</p> <p>Reus: 106,709 inhabitants.</p> <p>Valls: 24,649 inhabitants.</p>	<p>Meetings with the community through the Public Advisory Panel for the Tarragona industrial facility.</p> <p>Visits to the facilities.</p> <p>Website for the industrial facility to inform the local community of topics of interest.</p>	<p>Cooperation agreements for cultural and social purposes.</p> <p>Visits, meetings with a range of bodies and active participation in the social life of local communities.</p>

Communities affected by our main exploration and production operations

Algeria:

Asset	Communities in the area	Engagement activities and agreements
South East Illizi	<ul style="list-style-type: none"> • Illizi: 7,052 inhabitants • InAmenas: 18,250 inhabitants 	No engagement activities have been established with local communities.
Regane Nord (production)	<ul style="list-style-type: none"> • Adrar: 312,000 inhabitants. 	

Brazil:

Asset	Communities in the area	Engagement activities	Agreements
BMS 48 and 55	City of Ubatuba	End of project social communication campaign for drilling activities of BMS blocks 48 and 55	Ten entities of the municipality of Ubatuba (SP) were visited in person, and meetings held with leaders to notify them of the closure of offshore drilling activities in these blocks. The objective of the project was not to establish agreements.

Iraq:

Asset	Communities in the area	Agreements
Piramagrun ZEWE- 1 [exploration]	200,000 inhabitants in Zewe	Employment and impact of drilling activities. Social and cultural projects
Qala Dze [exploration]	Population of approximately 150 inhabitants Kani Shinka	Relocation of communities affected by drilling activities.
	Population of approximately 200 inhabitants Chnarna	Employment and land use and impact of drilling activities.
	300,000 inhabitants In several towns and in the city of Rania	Land and employment compensation Employment and land use and impact of drilling activities. Social and health projects

Libya:

Asset	Communities in the area	Engagement activities
CA129-130-131 [exploration]	• Ubari: 85,000 inhabitants.	Legislation in Libya allows for no engagement activities.

Mauritania:

Asset	Communities in the area	Engagement activities and agreements
TA 10 – Ouguiya 1 [exploration]	• Ouaddane: 500 inhabitants.	No engagement activities or agreements established with communities owing to the completion of drilling in the exploration well in TA10 block.

Spain:

Asset	Communities in the area	Engagement activities	Agreements
Casablanca [production]	Tarragona Fishermen's Association	Quarterly meetings of the Repsol Monitoring Committee and Fishermen's Association.	Five-year cooperation agreement with the Tarragona Fishermen's Association (€120,000).
	Baix Ebre Regional Council	Annual meeting for ratification of collaboration agreement.	Agreement with the Baix Ebre Regional Council to ensure provision of adapted transport services for people with limited mobility, amounting to €25,000.
	Tortosa Chamber of Commerce	Meeting to promote sponsorship of events by the Chamber.	Collaboration agreement for sponsorship activities amounting to €6,000 a year.
	Valls.: Chamber of Commerce	Meeting to promote sponsorship of events by the Chamber.	Collaboration agreement for sponsorship activities amounting to €6,000 a year.

Asset	Communities in the area	Engagement activities	Agreements
Casablanca (production) (cont.)	Baix Ebre Region Media: Ebre digital and Deltamedia	Collaboration meetings	Economic agreements amounting to €5,000 and 6,000, respectively.
Poseidón (production)	Moguer Zenobia-Juan Ramón Jiménez Foundation	Several meetings with the Foundation	Donation of €2,000
	Doñana, region of Huelva. Doñana 21 Foundation	Collaboration meetings	Collaboration agreement amounting to €10,000
	Moguer. Primitivo Lázaro Cultural Association	Symphony Festival	Donation of €2,500
Canary Islands	Lanzarote Fuerteventura	<p>Visit with Canary Islands journalists to the Repsol Technology Center and the Casablanca platform.</p> <p>Conference in the Canary Islands House in Madrid.</p> <p>Meeting with the Provincial Association of Las Palmas (includes Gran Canaria, Lanzarote and Fuerteventura) through the National Fishermen's Association.</p> <p>Meeting with the Business Circle in Las Palmas.</p> <p>Meeting with the Canary Islands Business Association in Las Palmas.</p> <p>Debate with AshotelL in Tenerife.</p> <p>Meeting with Spanish employers' association (CEOE) of Tenerife.</p> <p>Visit of journalists to the logistics base and Rowan Renaissance.</p> <p>Meeting with the central government representative</p>	No agreements have been established

Trinidad and Tobago:

Asset	Communities in the area	Engagement activities	Agreements
TSP (Teak, Samaan & Pou) production field	<ul style="list-style-type: none"> • Mayaro • Guayaguayare • Ortoire • Manzanilla • Mafeking 	Weekly communication with the main Community Organizations (CBO) to discuss the technical and financial progress of the projects implemented.	Agreement between Repsol and Mafeking Government Primary School (MGGA) for the implementation and monitoring of the Young Growers program.

Indigenous communities affected by our main hydrocarbon exploration and production operations

Bolivia:

Asset	Communities in the area	Engagement activities	Agreements
Caipipendi block	4,000 inhabitants. Zapaterambia, Itaparara, Yuati, Cumandaroti, Ancahuasu, Ivirati, Huacaya, Palos Blancos	Regular meetings (permanent community relationship managers)	APG IG Support for social investment projects in zone 3 communities in the APG IG and Palos Blancos communities
Huacaya 3D seismic mapping	2,500 inhabitants. Five Councils of CCCH (Ancahuazu, Huacaya, Iguembe, La Laguna, Mboicobo and Tabayerupa) Two municipalities of Villa Huacaya, Villa Vaca Guzmán Two grassroots territorial organizations	131 meetings during the project	Agreements on social investment and compensation (short term)
Huacaya 2D seismic mapping	1,500 inhabitants. Five councils of CCCH (Baycua, Caya, Chimbe; Cumandaite-Tamigua, Huacaya, Iguembe, Ingre, Machareti, Santa Rosa) Municipality of Villa Vaca Guzmán 1 territorial grassroots organization (OTB)	62 meetings during the project	Agreements on social investment and compensation (short term)
MGR Sur	3,500 inhabitants. 15 grassroots territorial organizations Two Guaraní councils Two municipalities (Entre Ríos and Caraparí)	120 meetings during the project	Agreements on social investment and compensation (short term)
Mamoré block [development]	10,000 inhabitants. Andino, Puerto Andino, Villa Unión, Illimani, Nueva Vida, Palcamyo, Oriental, San Salvador and Arocagua Gualberto Villarroel, 3° Manco Kapac, Nuevo Horizonte, Cruce Andino, Manco Kapac, Litoral, Sajta, Santa Isabel and Morales	Regular meetings (permanent community relations experts)	Agreement of annual social investment signed with the municipality of Entre Ríos in the Cochabamba region

Colombia:

Asset	Communities in the area	Engagement activities	Agreements
RC 12, South East	1,650 inhabitants. Wayuu indigenous people Campanita Campamento Nueva York Puerto Lodo Sabana Pachi Pachi Neimao Patomana Mamatoco Polieotu Samurruina	The pre-consultation, installation, impact and measures identification meetings took place with one community between February 6 and 14. During that same period the protocol was established with agreements arranged with 15 communities affected by the RC 12, South East Block.	Protocol deed.
	Santa Ana	March 15, 2015: execution of the protocol without agreements with the Santa Ana community.	Protocol deed.
	1,200 inhabitants. Communities settled in the Nueva York, Samurruina, Puerto Virgen, Chimare, Vista Hermosa and Polieotu sectors	Cultural compensations made from September 27 to 30.	
RC-12 Western Sector	350 inhabitants. Puerto Virgen, Chimare, Vista Hermosa	December 21: monitoring and completion of the consultation in coordination with the Colombian Ministry for Internal Affairs	Advance consultation pre-close deed
	Utapu, Ian, Youlepa, Shoin, Kamuschiwou, Media luna i, Media luna ii, Kasuchi, Pachakat, Koushimana, Arrutkajui, Jararau, Kasiwolin, Jotomana, Jayapamana, Irraipá, Portete, Emerruwo, Los cocos, Cabo de la vela, Warirajao, Waaí, Yoshpa, Musichi, Gran vía, Piulekat, Cubamana, Lechemana, Kayushiparalu, Yariwanichi, Aremazain	Of these 31 communities, 13 are at the advance consultation stage, eight are at the installation stage; this process is currently suspended	

Ecuador:

Asset	Communities in the area	Engagement activities	Agreements
Block 16 and Tivacuno Block	<p>Pompeya and Indillama (Kichwas – logistics influence)</p> <p>Approx. 800 Kitchwas</p> <p>Guiyero, Timpoka, Peneno, Dikaro, yarentaro, Gabaro, Iro / Ginta (Woorani communities)</p> <p>Approx. 500 Wooranis</p>	<p>Permanent cooperation relationship; management of agreements and commitments.</p> <p>Compensation agreement in force thanks to the Wati project and ongoing voluntary cooperation via the NAWE agreement.</p>	<p>Deeds of cooperation and compensation agreement between Repsol Ecuador S.A., operator of Block 16 and the Tivacuno Block, and the Kichwa Pompeya Community, 2013 – 2015.</p> <p>(Woorani) Compensation Agreement and agreement for the development and execution of activities at the Wati field (platform, access road and operations) located in the southeast of Block 16, Cononaco parish, district of Aguarico, province of Orellana in the Equatorial Amazon Region between the Block 16 Oil Consortium and the Woorani communities in the project's area of influence (Dikaro, Yarentaro, Gabaro and Flias de Iro / Ginta), to be performed between 2014 and 2018.</p> <p>Deed to a transitory cooperation agreement between Repsol Ecuador S.A. and Nacionalidad Woorani del Ecuador NAWE.</p>

United States:

Asset	Communities in the area	Engagement activities	Agreements
Alaska Exploration	<p>Nuiqsut</p> <p>400 inhabitants.</p>	<p>4-5 meetings with community; regular meetings with leaders; regular sending of newsletters by email</p>	<p>Kuukpik Surface Access Agreement (SAA); Mitigation Fund Agreement</p>

Peru:

Asset	Communities in the area	Engagement activities	Agreements
Kinteroni	Nuevo Mundo 1000 inhabitants	Briefing sessions and negotiation talks.	Surface use and easement agreement. Nuevo Mundo Base Lease Agreement. Social Investment Cooperation Development Program Agreement.
	Camisea. 1,200 inhabitants.	Briefing sessions and negotiation talks.	Voluntary social investment agreement. Surface use and easement agreement.
	Shivankoreni. 500 inhabitants.	Briefing sessions and negotiation talks.	Voluntary social investment agreement. Surface use and easement agreement.
Mapi/ Mashira	Tsoroja. 270 inhabitants	Briefing sessions and negotiation talks.	Compensation Agreement for the Mapi and Mashira wells.
2D seismic data	Tsoroja. 270 inhabitants Anapate. 360 inhabitants. Cheni. 700 inhabitants. Poyeni. 1,500 inhabitants. Mayapo. 220 inhabitants.	Briefing sessions and negotiation talks.	Compensation Agreement for the 2D Seismic Mapping Project.
Sagari	Nuevo Mundo. 1000 inhabitants Kitepampani. 100 inhabitants. Porotobango. 110 inhabitants.	Briefing sessions and negotiation talks.	Compensation Agreements for 3D Seismic Data Project

Venezuela:

Asset	Communities in the area	Engagement activities	Agreements
Quiriquire Gas	La Curva, Azagua, Pueblo Nuevo I, La Reforma, 23 de Enero, Los Kilómetros, El Danto 5860 inhabitants.	Community consultation process, meetings with community boards, engagement of the community controllers in the evaluating committees for consulting the price of social infrastructure.	Social investment plans negotiated with local communities. Social investment plan execution accountability exercise.
Cardón IV, S.A	Tacuato. 41,621 inhabitants.	35 meetings	

4.17. Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.

In part II of this Report: Performance indicators, breakdown of information by indicator, with Repsol's response to concerns and aspects arising through dialogue with its stakeholders.

Further, all identified expectations are analyzed by the company's corporate responsibility committees. At December 31, 2014, Repsol has a worldwide Corporate Responsibility Committee, CR committees covering 10 countries and CR committees in five industrial facilities. CR committees consist of managers representing all corporate and business units at each level.

Repsol's Sustainability Plans

Members of CR committees evaluate identified issues and expectations, integrate them in their internal decision-making processes and respond by committing to specific actions that form part of the [Repsol Sustainability Plans](#).

In 2014, new corporate responsibility committees were formed: one in Trinidad and Tobago, and another in the Petronor Industrial Facility.

Working Groups

The worldwide Corporate Responsibility Committee, which met three times in 2014, approved the creation of cross-company and multi-disciplinary working groups at its meeting of May 13, 2014. These Working Groups, comprising people at management level from different business and corporate units of the Repsol Group, have been created to tackle projects of one year in duration that seek to advance in specific sustainability-related issues:

1. Offsetting social, safety and environmental and integrity risks in processes prior to acquisitions and stakes in companies and assets, and establishing commercial relationships with counterparties.
2. Channels for receiving complaints and grievances.
3. Local content.
4. Stipulations on corporate responsibility in contracts.



The following are the details of the CR committees in Repsol at December 31, 2014 and their members:

WORLDWIDE CORPORATE RESPONSIBILITY COMMITTEE	
FUNCTION REPRESENTED	POSITION
Chairman of the Committees	Corporate Director of institutional Relations and Corporate Responsibility
Commercial Area	Director of Planning, Control, and HSE
Industrial Area and Trading	Director of Trading
Auditing and Control	Director of Auditing and Control
Procurement & Contracting	Director of Procurement and Contracting
Reputation, Branding and Communication	Director of Reputation, Branding and Communication
Exploration & Production	Director of Technical Development -Exploration & Production
Repsol Foundation	Director of Institutional and Social Area
Gas and Power	Director of Business Development-Gas and Power
Corporate Governance	Director of Corporate Governance
Industrial and New Emerges Business	Director de New Emerges Business
People and Organization	Director of Planning, Control and Management
Investor Relations	Director of Investor Relations
Corporate Responsibility	Director of Corporate Responsibility and Institutional Services
Corporate Security	Director of Corporate Security
Safety and Environment	Director of Safety and Environment
Legal Services	Coordinating Manager of Latin America Exploration and Production Legal Services
Technology	Director of Technology

BOLIVIA CORPORATE RESPONSIBILITY COMMITTEE	
FUNCTION REPRESENTED	POSITION
Chairman of the Committees	Business Unit Director of Bolivia
Procurement & Contracting	Manager of Procurement and Contracting
Non Operated Assets and Industry Relations	Manager Non-Operated Assets and Relations with Industry
Operated Assets and Industry Relations	Manager of Operated Assets
People and Organisation	Manager of People and Organization
Control and Resources	Manager of Control and Resources
Community Relations	Manager of Community Relations
External Relations	Manager of Communication and External Relations
Corporate Security	Manager of Corporate Security
Safety and Environment	Manager of Safety and Environment
Legal Services	Manager of Legal Services

REPSOL SINOPEC BRASIL CORPORATE RESPONSIBILITY COMMITTEE	
FUNCTION REPRESENTED	POSITION
Chairman of the Committees	Chief Executive Officer de Repsol Sinopec Brasil
Financial	Chief Financial Officer de Repsol Sinopec Brasil
Purchasing and Contracts	Director of Purchasing and Contracting BM-C-33 Project
Operation	Chief Operating Officer de Repsol Sinopec Brasil
Communication and External Relations	Director of Communication and External Relations
Exploration	Manager of Exploration
Research and Development	Manager of Research and Development
Exploration and Production BM-S-7 Project	Manager of BM-S-7 Project
Exploration and Production BM-S-9 Project	Manager of BM-S-9 Project
Exploration and Production BM-C-33 Project	Director of BM-C-33 Project
People and Organization	Manager of people and organization
Control and Resources	Manager of Planning, Control and Resources
Corporate Security	Manager of Corporate Security
Safety and Environment	Manager of Safety and Environment
Legal Services	Director of Legal Services

COLOMBIA CORPORATE RESPONSIBILITY COMMITTEE	
FUNCTION REPRESENTED	POSITION
Chairman of the Committees	Business Unit Director of Colombia
Purchasing and Contracting	Manager of Purchasing and Contracting
Control and Resources	Manager of Control and Resources
Economic and Financial	Manager of Economic and Financial
Exploration	Manager of Exploration
Technical Business Unit (Partners Relations)	Manager of Technical Business Unit
Commercial Area- Lubricants	Lubricants Commercial
Drilling	Manager of Drilling
People and Organization	Manager of People and Organization
Community Relations	Manager of Community Relations
Corporate Security	Manager of Corporate Security
Safety and Environment	Manager of Safety and Environment
Legal Services	Manager of Legal Services
Information Systems	Manager of Information Systems

ECUADOR CORPORATE RESPONSIBILITY COMMITTEE	
FUNCTION REPRESENTED	POSITION
Chairman of the Committees	Business Unit Director of Ecuador
LPG Purchasing & Contracting	Manager of commercial services
LPG Operations	Manager of Operations
People and Organisation - LPG	Manager of People and Organizations
Community Relations LPG	Manager in Community Relations
Safety and Environment LPG	Manager in Safety and Environment
Ecuador LPG	Director of Retail LPG
Purchasing & Contracting Exploration & Production	Manager of Purchasing and Contracting
Facilities and Surface Engineering Exploration & Production	Manager of Engineering, Facilities and Surface
Operation Block 16	Manager of Exploration & Production Operations
People and Organisation Exploration & Production	Manager of People and Organisation
Community Relations Exploration & Production	Manager of NGO´s and communities in Ecuador Business Units
Relations with Business Partners and Repsol Foundation Ecuador	Manager of relations with business partners and Repsol foundation Ecuador
Safety and Environment Exploration & Production	Manager of Safety and Environment
Corporate Security	Manager of Corporate Security
Legal Services	Manager of Legal Services

SPAIN AND PORTUGAL CORPORATE RESPONSIBILITY COMMITTEE	
FUNCTION REPRESENTED	POSITION
Chairman of the Committees	General Director of Strategy, Resources and Control
Commercial Area	Director of Planning, Control, and HSE
Industrial Area: Refining	Director of Refining Operations
Auditing and Control	Director of Auditing and Control
Purchasing and Contracting	Director of Purchasing and Contracting
Communications and Corporate Reputation	Director of Communication and Corporate Reputation
Asset Management	Director of Asset Management
Exploration and Production	Business Unit Director of Exploration and Production
Repsol Foundation	Manager of Social and Cultural Projects
Marketing Portugal	Director of Marketing Portugal
Emerging Businesses	Director of Emerging Businesses
People and Organisation	Director of People and Organisation
Management Planning and Control	Director of Management Categories Project
	Director of Planning, Management and Risk Assessment
Industrial Area: Chemicals	Director of Logistics and Production Services
Corporate Responsibility	Director of Corporate Responsibility and Institutional Services
Safety and Environment	Manager of Safety and Environment
Legal Services	Director of Legal Services

UNITED STATES CORPORATE RESPONSIBILITY COMMITTEE	
FUNCTION REPRESENTED	POSITION
Chairman of the Committees	Executive Director of North America and Brazil Regional Unit
Control and Resources	Manager of Control and Resources, North America and Brazil Regional Unit
Compliance	Director of Auditing and Control
Business Development	Director of Business Development, America
Exploration	Regional Director of Exploration, North America and Brazil
Gas and Power	Director of Commercial Services, North America Gas & Power
Engineering and Production	Director of Engineering and Production, United States
Exploration and Production Operations of United States	Director of Exploration and Production, United States
People and Organization	Manager of People and Organization, United States
Exploration and Production Alaska Project	Manager of Alaska Project
Exploration and Production Midcontinent Project	Manager of Midcontinent Project
Exploration and Production Shenzi Project	Manager of Shenzi
Relations with Business Partners	Land Director
Public Affairs and Community Relations	Manager of Public Affairs
Corporate Security	Manager of Corporate Security
Safety and Environment	Manager of Safety and Environment
Legal Services	General Counsel
Trading	Manager of Crude Oil and Heavy Products, America

PERU CORPORATE RESPONSIBILITY COMMITTEE	
FUNCTION REPRESENTED	POSITION
Chairman of the Committees	Executive Director of Repsol Peru
Secretary of the Committee	Communication and Media Coordinator
Supply and Distribution	Director of Supply and Distribution
Purchasing and Contracting Exploration and Production	Manager of Purchasing and Contracting
Communications and External Relations	Director of Communications and External Relations
Control and Resources	Director of Control and Resources in the Regional Unit of the Pacific.
Exploration and Production	Director of Exploration, Pacific Regional Unit
Exploration and Production	Director of Business Unit Peru
Liquefied Petroleum Gas (LPG)	Director of Liquefied Petroleum Gas
Liquefied Natural Gas (LNG)	Manager of Liquefied Natural Gas Natural Peru
Marketing	Director of Marketing
People and Organization	Director of People and Organization Peru
La Pampilla Refinery Project	Director of La Pampilla Refinery Project
Refining	Director of Refining

PERU CORPORATE RESPONSIBILITY COMMITTEE (cont.)

Community Relations Exploration and Production	Manager of Community Relations
Corporate Security	Manager of Corporate Security of the Pacific
Safety and Environment Exploration and Production	Manager of Safety and Environment Regional Unit Pacific
Safety and Environment Refining and Marketing	Manager Safety and Environment Refining and Marketing
Legal Services	Director of Legal Services

TRINIDAD AND TOBAGO CORPORATE RESPONSIBILITY COMMITTEE

FUNCTION REPRESENTED	POSITION
Chairman of the Committees	Director of Trinidad y Tobago Business Unit
Operated Assets	Manager of Operated Assets
Purchasing and Contracting	Manager of Purchasing and Contracting
External Relations and Communication	Manager of External Relations
Construction	Manager of Construction
Control and Resources	Manager of Control, Caribbean
Financial	Chief Financial Officer
People and Organization	Manager of People and Organization, Caribbean
Relations with Business Partners	Business Advisor
Corporate Security	Manager of Security
Safety and Environment	Manager of Safety and Environment
Legal Services	Manager of Legal Services
Information Systems	Manager of Information System

VENEZUELA CORPORATE RESPONSIBILITY COMMITTEE

FUNCTION REPRESENTED	POSITION
Chairman of the Committees	Director of Venezuela Business Unit
Purchasing and Contracting	Manager of Purchasing and Contracting
People and Organization	Manager of People and Organization
Exploration and Production Carabobo Project	Director of Carabobo Project
Exploration and Production Cardón IV Project	Director of Cardón IV Project
Exploration and Production Petroquiquire Project	Manager of Petroquiquire Project
Exploration and Production Quiriquire Gas Project	Manager of Gas Assets
Communications and Community Relations	Manager of External Relations
Corporate Security	Manager of Corporate Security, , Caribbean
Safety and Environment	Manager of Safety and Environment
Legal Services	Manager of Legal Services

A CORUÑA INDUSTRIAL FACILITY CORPORATE RESPONSIBILITY COMMITTEE	
FUNCTION REPRESENTED	POSITION
Chairman of the Committees	A Coruña Refinery Director
Industrial Facility Communication and Coordination of Corporate Responsibility	Analyst of Strategy, Communication, Countries, Industrial Facilities and Technology Center of Repsol
Reliability and Maintenance	Manager of Reliability and Maintenance
Engineering and Development	Director of Engineering and Development
People and Organization	Deputy Director of People and Organization
Production	Director of Production
Safety and Environment	Deputy Director of Safety and Environment

CARTAGENA INDUSTRIAL FACILITY CORPORATE RESPONSIBILITY COMMITTEE	
FUNCTION REPRESENTED	POSITION
Chairman of the Committees	Cartagena Refinery Director
Industrial Facility Communication	Analyst of Strategy, Communication, Countries, Industrial Facilities and Technology Center of Repsol
Reliability and Maintenance	Director of Reliability and Maintenance
Engineering and Development	Director of Engineering and Development
People and Organization	Deputy Director of People and Organization
Production	Director of Production
Safety and Environment	Director of Safety and Environment / Optimization C-10

PUERTOLLANO INDUSTRIAL FACILITY CORPORATE RESPONSIBILITY COMMITTEE	
FUNCTION REPRESENTED	POSITION
Chairman of the Committees	Puertollano Industrial Facility Director
Industrial Facility Communication	Analyst of Strategy, Communication, Countries, Industrial Facilities and Technology Center of Repsol
Reliability and Maintenance	Manager of Reliability and Maintenance
People and Organization	Deputy Director of People and Organization
Engineering and Development	Director of Engineering and Development
Production	Director of Production
Chemical Production	Director of Chemical Production
Safety and Environment	Deputy Director of Safety and Environment

TARRAGONA INDUSTRIAL FACILITY CORPORATE RESPONSIBILITY COMMITTEE	
FUNCTION REPRESENTED	CHARGE/ POSITION
Chairman of the Committees	Tarragona Industrial Facility Director
Industrial Facility Communication	Analyst of Strategy, Communication, Countries, Industrial Facilities and Technology Center of Repsol
Reliability and Maintenance	Manager of Reliability and Maintenance
People and Organization	Deputy Director of People and Organization
Engineering and Development	Director of Engineering and Development
Production	Director of Production
Chemical Production	Director of Chemical Production
Marine Environmental Protection	Manager of Marine Environmental Protection
Safety and Environment	Deputy Director of Safety and Environment

PETRONOR INDUSTRIAL FACILITY CORPORATE RESPONSIBILITY COMMITTEE	
FUNCTION REPRESENTED	POSITION
Chairman of the Committees	Petronor Chief Executive Officer
Financial	Chief Financial Officer
Reliability and Maintenance	Director of Reliability and Maintenance
Energy Efficiency and Reduction of CO2	Manager of Energy Efficiency and Reduction of CO2
Engineering and Development	Director of Engineering and Development
People and Organization	Director of People and Organization and Institutional Relations
Production	Director of Production

Sustainability plans

The result of analyzing stakeholders' expectations in different corporate responsibility committees takes the shape of sustainability plans that consist of a series of specific and short-term actions that respond to the identified concerns and expectations.

In 2014, sustainability plans for the year were published for Brazil, and for the industrial facilities of A Coruña, Cartagena, Puertollano and Tarragona. These plans are added to the eight bi-annual 2013-2014 plans in force, that were published in 2013. In the last two years, Repsol has committed to a total of 574 actions in all its published sustainability plans. Of these, 86% are linked to the variable remuneration of Repsol employees.

Repsol.com

The complete sustainability plans, their indicators and achievement dates and the 2013 monitoring reports are available at repsol.com.

Part II: Performance Indicators

Economic Indicators

Economic Performance

EC1: Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

Information on this indicator is reported in the 2014 Management Report Section 6.3 Taxation

Data relating to Repsol's generation and distribution of economic value provide a basic indication of the way in which the company has helped to generate value for its stakeholders.

Generation and distribution of economic value (millions of euros)			
Item	2012 ⁴	2013 ⁵	2014
Economic value generated	58,320	47,642	47,416
Sales and other operating income	57,945	47,551	47,225
Finance income	151	94	134
Gains on disposal of fixed assets	224	3	57
Economic value distributed	54,325	46,708	46,579
Operating expenses (purchases, training and other operating costs such as non-core investments, royalties, personal protection equipment, etc.)	43,554	36,778	35,757
Personnel expenses (excluding training)	1,954	1,652	1,713
Public Administrations: Tax accrued in the year and included as expenses in the company's consolidated financial statements, including Corporate Income Tax and Excise Duties ⁶ .	7,374	6,908	6,524
Dividends and finance costs ⁷	1,418	1,345	2,560
Resources invested in the community	25	25	26
Retained economic value	3,995	934	837

⁴ 2012 financial information coincides with the 2012 information contained in the consolidated Financial Statements at December 31, 2013. Figures for 2012 were re-stated following the agreement to sell part of the company's LNG assets and businesses and differ from the figures expressed in the consolidated Financial Statements at December 31, 2012.

EC2: Financial implications and other risks and opportunities for the organization's activities due to climate change. [DSMA].

Carbon Disclosure Project (CDP)

This information can be found at this link to the Carbon Disclosure Project (CDP) document published in 2014.

In the Carbon Disclosure Project, Repsol describes its management of risks and opportunities related to climate change, and identifies those which have a more significant impact for our company. Legislative, physical and other risks are described, where the last of these categories mainly includes image and market risks.

A large number of initiatives relating to legislative risks and opportunities with a high degree of importance to Repsol have been carried out in recent years: The Energy Efficiency Directive, the Fuel Quality Directive, the EU 2030 Targets, etc. Our company is managing these risks in a coordinated manner in all involved Business Units. We have implemented a 2014-2020 Energy and Carbon Plan to minimize impacts. We have implemented a 2014-2020 Energy and Carbon Plan to minimize impacts of these new legislative changes. This is also an opportunity for the company. Repsol has been working internally for some time in carrying out accurate inventories to quantify its equivalent CO₂ emissions, implementing Energy Management Systems to improve the energy performance of its facilities, and externally, by undertaking initiatives such as emissions reductions in transport (CLIMA Projects, electrical mobility, etc.) or in renewable generation.

Repsol is working to manage physical phenomena in order to minimize risks and the magnitude of potential impacts of climate change in the natural resources on which we depend and in the climate phenomena to which we are exposed: extreme drought, tornadoes, temperature change, etc.

EC3: Coverage of the organization's defined benefit plan obligations.

Information on this indicator is reported in Repsol's 2014 Consolidated Annual Financial Statements. Chapter 23

⁵ 2013 financial information coincides with the 2013 information contained in the consolidated Financial Statements at December 31, 2013. Figures for 2013 were re-stated following application of IFRS 11 and differ from the figures expressed in the consolidated Financial Statements at December 31, 2013.

⁶ Includes excise duties and others of a similar nature, for the amount of €6,099 million in 2013 and €5,244 million in 2012.

⁷ In 2012, a bonus issue was carried out, with the irrevocable commitment to purchase the free allocation rights for €184,129 thousand for shareholders who opted to sell their allocation rights to the Company, and a share remuneration of €208,435 thousand for those who opted to receive new Company shares. A cash dividend was paid out for a gross amount of €0.04 per share, up to a maximum of €51,298 thousand. In 2013, a bonus issue was carried out, with the irrevocable commitment to purchase the free allocation rights for €232,223 thousand for shareholders who opted to sell their allocation rights to the Company, and a share remuneration of €389,057 thousand for those who opted to receive new Company shares. In 2014, an extraordinary interim dividend was paid out amounting to 1 euro gross per share. The amount was paid out on June 8. The gross amount paid out totalled €1,324,526 thousand. In 2014, a bonus issue was carried out, with the irrevocable commitment to purchase the free allocation rights for €155,209 thousand for shareholders who opted to sell their allocation rights to the Company, and a share remuneration of €487,182 thousand for those who opted to receive new Company shares. For more information, see Note 3 to the Notes to the Individual Financial Statements for 2012, 2013 and 2014.

EC4: Significant financial assistance received from government.

Subsidies recognized in the balance sheet amounted to €9 million and €10 million in 2014 and 2013, respectively.

The company's financial statements for 2014 and 2013 disclose income relating to capital subsidies under the subheading "Allocation of subsidies for non-trade and other fixed asset investments" for the amount of €1 million, respectively. Additionally, the amount of operating subsidies recognized as income under "Other operating income" totalled €25 million in 2014 and 2013, respectively.

NOTE: 2013 figures were re-stated as a result of application of the IFRS 11.

Market Presence

EC5: Range of ratios of standard entry-level wage compared to local minimum wage at significant operations locations.

Remuneration is an important element when attracting and retaining professionals for company. The compensation system is designed to reward individuals and deepen employees' commitment to achieving Repsol's strategic objectives and operating targets.

Repsol minimum wage and the legal minimum wage by country [€/month] in 2014			
Country	National minimum wage	Repsol minimum wage ⁸	Repsol/national minimum wage
Bolivia	153	1,009	6.59
Brazil	250	1,211	4.84
Ecuador	254	254	1.0
Peru	196	196	1.0
Portugal	505	515	1.02
Spain	645	1,295	2.01
Trinidad and Tobago	245	1,129	4.61
Venezuela	456	456	1.0

Repsol remunerates its employees in accordance with the environment and the business in which it operates in each country. In Ecuador, Peru and Venezuela, Repsol's minimum wage matches the national minimum wage, which has changed in recent years. In some countries, such as Bolivia, Brazil and T&T, remuneration is significantly higher than the minimum in order to adjust to the cost of living and the conditions of the country.

⁸ Minimum salary of lower category agreement.

EC6: Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation.

Country of origin of our suppliers

In 2014, we used 19,692 suppliers and contractors from 86 countries.

Supplier's country of origin	Number of suppliers		
	2012	2013	2014
Algeria	113	94	91
Angola	2	43	97
Aruba	1	0	14
Australia	19	22	19
Austria	15	12	14
Bahamas	0	1	2
Bahrain	1	2	2
Barbados	3	3	1
Belgium	68	69	68
Bermuda	2	0	1
Bolivia	333	326	322
Brazil	584	641	602
British Virgin Islands	3	2	3
Bulgaria	1	1	1
Canada	308	296	283
Cayman Islands	0	1	3
Chile	5	5	6
China	9	9	15
Colombia	160	172	167
Costa Rica	4	4	0
Croatia	0	0	1
Cuba	71	20	0
Cyprus	3	2	2
Czech Republic	4	7	5
Denmark	17	24	18
Dominican Republic	1	0	0
Dutch Antilles	1	0	1
East Timor	0	0	1
Ecuador	1,080	996	1,038
Egypt	3	2	0
El Salvador	1	0	0
Equatorial Guinea	1	1	0

Supplier's country of origin	Number of suppliers		
	2012	2013	2014
Finland	5	5	1
France	161	157	170
Gabon	0	0	1
Germany	206	208	202
Greece	0	3	3
Guatemala	0	1	0
Guyana	36	25	14
Holland	111	118	129
Hong Kong	4	7	8
Hungary	0	0	1
India	3	3	6
Indonesia	22	27	29
Iraq	1	28	75
Ireland	16	17	14
Israel	5	3	1
Italy	83	78	84
Jamaica	1	0	0
Japan	8	13	9
Jordan	1	0	0
Kazakhstan	0	1	0
Lebanon	1	0	2
Liberia	0	1	1
Libya	93	106	83
Liechtenstein	0	1	0
Luxembourg	6	4	4
Malaysia	5	1	7
Malta	4	5	4
Marshall Islands	0	1	3
Mauritania	10	22	21
Mauritius	0	1	1
Mexico	174	152	96
Morocco	4	4	2
Namibia	2	3	9
New Zealand	0	0	1
Nicaragua	1	0	0
North Korea	1	1	0
Norway	132	202	180
Oman	1	1	0
Panama	9	16	13

Supplier's country of origin	Number of suppliers		
	2012	2013	2014
Papua New Guinea	0	0	1
Peru	1,826	1,773	1,841
Poland	1	2	2
Portugal	2,322	2,146	2,075
Puerto Rico	1	1	2
Qatar	0	0	1
Romania	2	3	2
Russian Federation	2	8	74
Saudi Arabia	0	2	2
Singapore	8	11	10
Slovakia	0	0	1
South Africa	1	4	12
South Korea	1	1	1
Spain	9,076	8,861	9,091
Sudan	0	1	0
Surinam	1	0	1
Sweden	20	13	14
Switzerland	50	45	59
Taiwan	1	0	1
Thailand	2	2	2
Trinidad and Tobago	373	356	348
Tunisia	7	11	6
Turkey	4	7	7
UK	409	429	533
United Arab Emirates	22	27	36
United States	1,015	1,074	1,200
Uruguay	6	14	13
US Virgin Islands	0	1	1
Venezuela	382	321	404
Vietnam	1	0	1
Total	19,551	19,177	19,692

Local purchasing

In 2014, Repsol invested €4,960 million in purchasing and contracting with local suppliers⁹, approximately 83% of total purchases.

⁹ A supplier is considered local when they have a tax reference number in the country where the service is to be rendered or the merchandise delivered.

Purchasing and contracts			
	2012	2013	2014
Total purchases (€ million)	5,206	5,166	5,991
Local purchases (€ million)	4,341	4,406	4,960
% of local purchasing	83%	85%	83%
Total no. of suppliers	19,551	19,177	19,692

Local purchasing			
Country	Total (€ million)	Local (€ million)	Purchases from local suppliers [%]
Algeria	21.03	17.51	83%
Angola	172.09	82.66	48%
Aruba	16.42	0.26	2%
Australia	5.33	2.05	38%
Belgium	4.86	2.30	47%
Bolivia	224.69	214.95	96%
Brazil	512.24	316.17	62%
Canada	14.12	10.80	76%
Colombia	28.75	25.01	87%
Ecuador	99.69	91.32	92%
France	2.21	1.94	87%
Germany	0.31	0.07	22%
Guyana	0.17	0.02	11%
Indonesia	0.88	0.82	93%
Iraq	84.36	51.47	61%
Italy	2.71	0.20	7%
Japan	0.02	0.02	100%
Libya	25.86	20.28	78%
Mauritania	39.79	32.05	81%
Mexico	0.90	0.85	95%
Morocco	0.52	0.04	7%
Namibia	70.43	28.21	40%
Norway	26.74	22.93	86%
Peru	306.80	270.59	88%
Portugal	179.84	130.60	73%
Russian Federation	28.28	28.24	100%
Spain	3,393.27	2,923.01	86%
Trinidad and Tobago	207.43	183.22	88%
Tunisia	0.80	0.05	6%
United States	461.20	459.14	100%
Venezuela	55.18	44.56	81%
TOTAL	5,986.91	4,961.32	83%

We cannot always find local suppliers and contractors specializing in certain very specific technical work or work requiring particular qualifications relating to the oil industry in the countries where we operate. In such cases, we turn to international suppliers.

The number of long-term contracts [exceeding one year] with local suppliers and contractors increased from 2,521 contracts in 2013 to 2,700 in 2014. We would note the 481 contracts with local suppliers in the United States, 240 contracts with local suppliers in Bolivia, 187 in Peru, 106 in Ecuador and 88 in Brazil.

Contracts exceeding one year

Country	Contracts	
	Number of contracts exceeding 1 year in country	% contracts of country total
Algeria	11	16%
Angola	35	67%
Argentina	13	54%
Aruba	3	50%
Austria	2	100%
Belgium	8	47%
Bolivia	240	84%
Brazil	88	50%
British Virgin Islands	1	50%
Canada	3	16%
Cayman Islands	3	75%
Chile	0	0%
China	1	25%
Colombia	15	25%
Denmark	1	33%
Ecuador	106	60%
France	32	43%
Germany	19	40%
India	1	50%
Indonesia	2	33%
Iraq	24	39%
Ireland	1	8%
Italy	7	44%
Lebanon	1	100%
Libya	16	25%
Luxembourg	1	50%
Malaysia	1	50%
Malta	2	100%
Netherlands	14	21%

Contracts (continued)		
Country	Number of contracts exceeding 1 year in country	% contracts of country total
Norway	34	35%
Panama	3	27%
Peru	187	38%
Poland	1	100%
Portugal	89	23%
Russian Federation	52	44%
Saudi Arabia	0	0%
South Africa	2	20%
Spain	1044	22%
Sweden	1	50%
Switzerland	7	41%
UK	50	25%
United Arab Emirates	5	36%
United States	481	60%
Uruguay	2	50%
US Virgin Islands	1	33%
Venezuela	36	25%
Total	2,700	32%

Responsible supplier management model:

Management of our supply chain is subject to corporate regulations ensuring compliance by our suppliers and contractors with ethical, environmental and social standards, including employment and health and safety measures.

We have updated our assessment process over recent years to include the following:

- Rating questionnaire: specific questions on Ethics and Human Rights.
- Social audit: on-site verification of performance in Ethics and Human Rights.
- The Ethics and Conduct Code for Suppliers: sets out guidelines for the behavior that Repsol expects from its suppliers in their activity and in all commercial and professional relationships.

Supplier and contractor rating processes			
	2012	2013	2014
Suppliers of goods:			
Qualified	387	444	306
Provisionally qualified ¹⁰	19	6	2
Not accepted ¹¹	3	1	90
Service contractors:			
Qualified	684	1058	794
Provisionally qualified	66	50	20
Not accepted	23	27	264
Disqualified and provisionally disqualified:			
Disqualified	195	257	12
Provisionally disqualified	3	0	0

Until 2013, the Purchasing and Contracts Functional Committee (CFCC), the highest body for this function in the company, decided to assign the “disqualified” status to suppliers in insolvency previously approved by a court. From 2014, the CFCC decided to assign the status of “not accepted” to these suppliers. In any event, and with a view to complying with insolvency law, Repsol abides by all orders or contracts the company has with these companies. The committee periodically monitors the insolvency situation of both Spanish and Portuguese companies.

Further, it was decided in 2014 that suppliers in an adverse financial position could present financial security (bank guarantee or a guarantee of the parent company) that would enable them to meet economic and financial requirements, thus allowing them to attain the status of qualified.

These two decisions allowed suppliers with financial difficulties owing to the economic crisis to participate in our bidding processes, and it helped them improve the position and the viability of their companies.

In 2014, 56 suppliers were provisionally qualified. Of these, 22 were later assigned the status of qualified due to the improvement of their financial situation and global valuation.

No. of disqualified suppliers	Due to insolvency	Due to financial situation	Due to breach of contract	Due to performance assessment	Special contracting procedure	Other
Goods/Services	0	0	8	0	1	3

¹⁰ On some occasions a supplier may be “temporarily qualified” when it is found that it fails to comply with some minor requirement that prevents it from being classified as “qualified”. This is a temporary situation that should be remedied within a short period.

¹¹ Until 2013, a supplier that failed to pass the qualification process while in insolvency was classified as “disqualified”. In 2014, suppliers in this situation have been merged with those classified as “not accepted”. For this reason, between 2013 and 2014 there was an increase in the number of non-accepted suppliers, while the number of disqualified suppliers decreased.

Audits of suppliers and contractors

We carry out human rights assessments on 100% of our major suppliers, using the information they provide when they complete the rating questionnaires. In addition, in high-criticality cases, we verify the information through on-site visits to the suppliers' facilities during the rating audit.

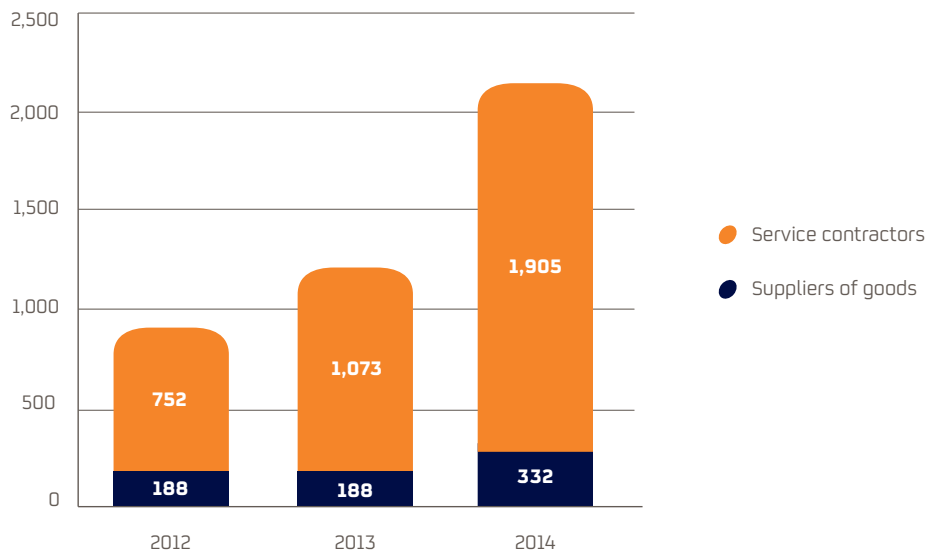
Country	2012	2013	2014
Algeria	1	-	-
Angola	-	4	1
Bolivia	-	-	6
Brazil	4	1	-
Canada	-	3	-
Colombia	-	-	15
Denmark			1
Ecuador	-	6	5
Egypt	1	-	-
France	-	1	1
Germany	-	-	1
Holland	-	1	-
Iraq	-	2	1
Italy	3	4	-
Mauritania	-	-	1
Mexico	1	-	-
Norway	1	4	-
Peru	30	7	13
Portugal	4	24	7
Romania	1	-	-
Russian Federation	1	6	1
Singapore	1	-	-
South Korea	3	-	1
Spain	80	101	37
Trinidad and Tobago	4	-	-
UK	4	2	4
United Arab Emirates	2	3	2
United States	3	2	3
Total	144	171	100

Performance assessment

Our internal regulations require an assessment of the performance of suppliers providing goods or services classified as high criticality¹². The supplier performance assessment is a systematic, documented evaluation process covering the most significant aspects of the relationship between the supplier and Repsol. Quality, management systems, ethics, human rights and safety and environment are the essential aspects analyzed in these assessments.

Performance assessment

Number of assessments carried out



Management of non-conformities

Depending on the severity of the supplier non-conformities identified, the measures to be taken include notification, a written warning, a financial penalty or cancellation of an order or the contract. With regard to the supplier rating, provisional or permanent disqualification may be proposed, subject to the approval of the Repsol Purchasing and Contracts Functional Committee.

In the rating audits carried out in 2014, some 90 non-conformities were found related to operations, safety and environment and ethics.

If a non-conformity by a supplier is found in a particular phase we define measures to correct this and monitor efforts to ensure these are implemented correctly. Depending on their severity, we might call a meeting with the company to notify it of the issue or open a case and present this in writing.

The resolution of the case could result in a penalty or a warning. In such cases, we apply the procedure established for each of our businesses.

In 2014, we revoked 50 supplier contracts based on performance assessments, for the following reasons:

¹² A high criticality classification is a series of materials or services that are of high importance to Repsol by their nature or due to their impact on the business.

Country	Contracts revoked	Reasons
Spain	1	Failure to comply with service quality and breach of contract
	4	Breach of contract
	4	Failure to comply in safety
	3	Failure to comply in ethics
	13	Failure to comply with the law
	1	Failure to comply with delivery dates.
	19	Failure to comply with the law
Trinidad and Tobago	5	Failure to comply with service quality

Managing subcontractors

General purchasing and contracting conditions

Our [General Purchasing and Contracting Conditions](#) extend all the obligations on our suppliers and contractors to their subcontractors. These requirements for subcontractors are included in the offer terms and conditions, and are assessed and weighted in the technical evaluation, along with the contractual obligations, compliance with ethical, social and environmental regulations, performance assessment, etc.

Ethics and Conduct Code for Suppliers

We also extend the requirement for compliance with our ethical, social and environmental standards to subcontractors by disseminating our [Ethics and Conduct Code for Suppliers](#).

Collaboration, dissemination and awareness-raising initiatives

In 2014, a number of specific actions were carried out to improve the participation of local suppliers.

- Colombia: plan carried out for development of suppliers from the indigenous Wayuu community in the Guajira region.
- Ecuador:
 - A workshop on insurance was held for suppliers in October. The workshop helped provide suppliers greater information on the contractual insurance we request when a contract is awarded.
 - All suppliers of LPG Ecuador were again sent a communiqué on the content of our Ethics and Conduct Code. A brochure was also produced for suppliers to inform them on safety and environmental regulations, in addition to examples related to business compliance processes.
- Peru: Representatives from Repsol Peru held a meeting with local suppliers to explain in detail the steps to be followed to become a Repsol supplier in Peru. An instructional document was also issued for subcontractors that sets out the steps to be followed for qualification of the main subcontractors during tender processes. This subcontractor qualification procedure has been applied in four contracting processes.
- Repsol Sinopec Brasil systematically assesses the performance of contractors involved in the main operations, especially those that pose any risk. Periodic meetings are held with our main suppliers for evaluation and feedback. This evaluation addresses matters relating to safety, the environment, ethics and conduct, among others.

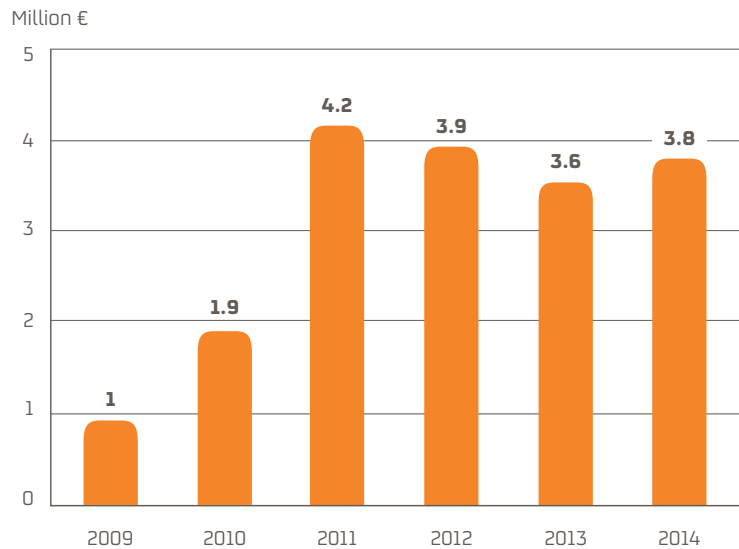
- Spain:
 - The Dynasol chemical facility holds periodic safety meetings with contractors and managers in which information is provided on the new procedures published. It also holds specific meetings to capture new local suppliers.
 - At the Petronor Industrial Facility, weekly safety meetings are held with prevention experts and quarterly meetings are held with the managers of the most significant suppliers. Periodic monitoring of safety objectives is also undertaken. Presentations have also been given on the activities of Petronor, with emphasis placed on the level of development required by local companies in order to collaborate with the refinery. The Cartagena industrial facility has issued eight communications informing contractors on significant aspects in the center within the improvement of external communication included in the Facility's Action Plan.
- Trinidad and Tobago: regular meetings have been held with contractors to examine and manage incidents.
- Venezuela: information meetings have been held with local suppliers to present the annual activity plans.

Purchases from Special Employment Centers

Repsol is committed to boosting job creation for people with disabilities, by awarding contracts for goods and services to companies classified as Special Employment Centers (SECs). In 2014, Repsol made purchases from 43 SECs in Spain, with a total value of approximately €3.8 million.

Purchases from Special Employment Centers (millions of euros)	
Year	Amount
2009	1.0
2010	1.9
2011	4.2
2012	3.9
2013	3.6
2014	3.8

Purchases from Special Employment Centers



The units responsible for purchasing and contracting play a key role in this process, as they are in a position to encourage contracting of goods and services from SECs. They therefore identify and register SECs and regularly update these in our suppliers system.

It is important to manage local SECs that provide services and/or distribute products with a scope limited to their area of influence or most immediate surroundings.

Repsol ensures that suppliers presenting bids for our contracts are experts and are recognized in the sector, while the company avoids contracting suppliers that may be counted as SECs but do not offer sufficient assurances.

Under our standards and procedures, all suppliers bidding in our tender and contracting processes must be qualified. All SECs must go through our qualifying process, as must other suppliers.

EC7: Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.

Repsol is active in 36 markets and has over 1,500 employees working outside their home country. The value contributed by this multicultural environment is increasingly apparent throughout the company.

We believe that the diversity of our management team and the inclusion of local managers in the team give us a very valuable competitive advantage, as it helps us understand the expectations and needs of the countries in which we operate and offer suitable solutions that translate into real business results.

Executives and technical managers by country of origin in 2014									
Country	Local Managers and Technical Managers			Total Managers and Technical Managers			Percentage		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
Bolivia	36	38	39	46	45	48	78%	84%	81%
Ecuador	28	33	28	43	39	31	65%	85%	90%
Peru	60	72	69	68	101	98	89%	71%	70%
Portugal	49	52	53	54	56	57	91%	93%	93%
Spain	1,306	1,314	1,396	1,403	1,522	1,612	93%	86%	87%
US	142	138	141	159	203	219	89%	68%	64%

The countries shown in the table account for 95% of the workforce.

Indirect Economic Impacts

EC8: Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement.

EC9: Understanding and describing significant indirect economic impacts, including the extent of impacts.

Response to indicators EC8 and EC9:

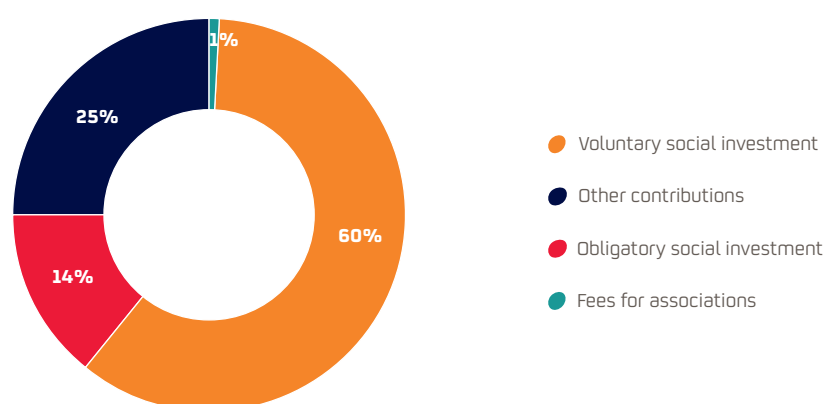
Repsol carries out social investment projects through the company's corporate divisions and businesses, through its two foundations (Repsol Foundation and Repsol Ecuador Foundation) and through the volunteering efforts of the people who work at Repsol.

In 2014, social investment by the Repsol Group (including its two foundations) came to €32.10 million, of which €26.03 million were voluntary contributions and €6.07 million to meet contractual or legal obligations.

Repsol also invested €0.62 million in membership fees for associations working to improve society as a whole, and particularly the quality of life of vulnerable groups. This amount also includes membership fees for associations we are members of because we are always seeking to improve our performance by sharing experiences and best practises with other companies in the area of sustainability and corporate responsibility.

In 2014, €10.74 million were also allocated to programs and actions in benefit of the community arising from studies of the environmental, social and health impact carried out in our projects.

Breakdown of total investment



Voluntary social investment

This includes the social programs that the company carries out voluntarily, or which arise from voluntary agreements with communities.

Voluntary social investment [millions of euros]		
2012	2013	2014
25.05	24.58	26.03

Voluntary social investment projects are classified according to the following categories:

- **Strategic social investment:** social programs related to communities within the area of influence of our operations. In 2014, this investment amounted to €9.55 million.
- **Institutional social investment:** These include all other contributions, such as philanthropy, funding of solidarity non-profit organizations, sponsorship and charitable marketing activities. The total sum of this investment was €16.49 million in 2014.

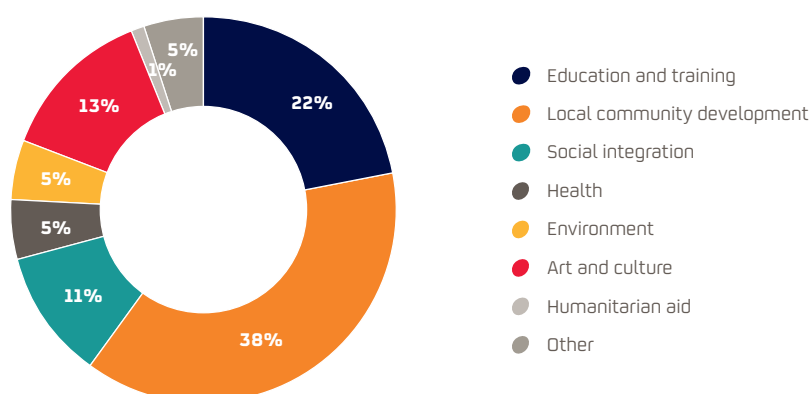
Voluntary social investment by type of contribution [millions of euros]	
	2014
Contributions in cash	23.14
Contributions in time	0.54
Contributions in kind ¹³	0.87
Management costs	1.48
Total	26.03

Investment is also broken down by project type. Contributions are presented in the table "Social investment by type of project".

¹³ In 2014, management costs were estimated according to the time that the people responsible for social investment devoted to management and administration activities. On average, it is estimated that 5% of the working day was set aside for this activity.

Voluntary social investment by type of project (millions of euros)	
	2014
Education and training	5.71
Local community development	9.79
Social integration	3.01
Health	1.36
Environment	1.31
Art and culture	3.42
Humanitarian aid	0.20
Other	1.23
Total	26.03

Breakdown of voluntary social investment by type of project



Our voluntary social investments are spread across our major countries of operation:

Breakdown of voluntary social investment by country (millions of euros)			
	2012	2013	2014
Angola	0.74	0.75	0.76
Bolivia	1.44	1.81	1.78
Brazil	0.60	0.80	1.28
Colombia	0.06	0.19	0.05
Ecuador	1.68	0.77	0.97
Spain	13.99	13.76	15.06
United States	0.08	0.16	0.34
Libya	0.31	0.37	0.65
Peru	4.82	4.23	3.27
Portugal	0.45	0.38	0.17
Trinidad and Tobago	0.21	0.43	0.41
Venezuela	0.27	0.37	0.37
Rest of the world ¹⁴	0.22	0.72	0.92
TOTAL	24.79	24.58	26.03

¹⁴ Rest of the world includes social investment through our businesses and the Repsol Foundation in Algeria, Canada, Cambodia, Guatemala, Haiti, Iraq, Kenya, Morocco, Mexico, Namibia, Nicaragua, Senegal and Sierra Leone, Uganda.

In 2014, our voluntary social investment increased by 5.8%, from €24.58 million in 2013 to €26.03 million. This was mainly due to the increases in Spain, Brazil and the United States (9.4%, 60% and 113%, respectively).

Moreover, there was a significant decrease of 23% in voluntary social investment in Peru due, in essence, to the decrease in the activity of the exploration and production business.

Obligatory social investment

These are contributions that we make as a result of legal, regulatory or contractual requirements. They may be fully managed by the company (through social programs) or by a third party (such as the national hydrocarbon company, institution or government agency) to whom our contribution is transferred.

During 2014, we made such contributions in Algeria, Brazil, Colombia, Guyana, Namibia, Spain and Venezuela, for a total of €6.07 million.

Social investment by type of contribution (millions of euros)			
	Voluntary contribution	Obligatory contribution	Total
Algeria	0.04	0.04	0.08
Brazil	1.28	3.01	4.29
Colombia	0.05	0.55	0.6
Guyana	0.03	0.09	0.12
Namibia	0.4	0.09	0.49
Spain	15.06	0	15.06
Venezuela	0.37	2.29	2.65
Rest of the world	8.8	0.00	8.81
Total	26.03	6.07	32.1

Other contributions

These are contributions that the company makes to communities for impacts during project activities, and which have been identified in environmental, social and health impact assessments. These contributions can be made in cash or through social programs, remediation programs or others.

Repsol invested €10.74 million in such contributions in 2014, in Bolivia, Colombia, Ecuador, Peru, Spain and Venezuela.

Other contributions (thousands of euros)	
	2014
Bolivia	309
Colombia	218
Ecuador	172
Peru	357
Spain	130
Venezuela	9,557*
Total	10,744

* During 2014 in Venezuela, the company has made contributions to members of 15 fisheries councils in the area where the Pearl project is being developed. These were made in respect of "loss of opportunity to catch" as the placement of the pipeline that will transport gas from an offshore platform to the mainland caused a five and a half month stoppage in their usual business.

OG1: Volume and type of estimated proven reserves and production.

Information on this indicator is reported in the 2014 Management Report Section 5.1 Upstream

Environmental indicators

	2012	2013	2014
Spills > 1 barrel			
Number of spills that reach the environment	29	14	17
Volume of hydrocarbon spills that reach the environment (tons)	6,091	15	316
Energy and Carbon Management¹⁵			
Energy consumption (10 ⁶ GJ) ¹⁶	178.5	176.8	178.4
Direct emissions of CO ₂ equivalent (million tons) ¹⁷	14.1	14.2	13.8
CO ₂ reductions (million tons) ¹⁸	0.443	0.444	0.452
Water Management			
Fresh water withdrawn (kilotons) ¹⁹	56,243	54,203	54,729
Reused water (kilotons)	8,375	9,473	9,945
Water discharged (kilotons)	38,925	38,965	35,920
Hydrocarbons in water discharged (tons)	259	460	199
Waste Management²⁰			
Hazardous waste (tons)	80,775	66,315	66,430
Non-hazardous waste (tons)	52,580	182,693	167,200

¹⁵ The energy management and carbon data for 2014 currently being verified. Once verification is completed, they will be available on repsol.com.

¹⁶ To calculate the energy consumption of different facilities we apply our Environmental Parameters Application (EPA) which takes into account all fuels burned at the facility to make the energy required for its different processes (external fuel, mostly natural gas, and internal fuel generated at the facility) and the net balance of steam and electricity imports and exports.

¹⁷ Includes emissions of CO₂, CH₄ and N₂O in terms of CO₂ equivalent.

¹⁸ CO₂ reduction achieved due to the implementation of new initiatives to reduce greenhouse gases in a "business as usual" context.

¹⁹ The fresh water figure for 2013 has been modified following publication of the 2013 Corporate Responsibility Report, due to a later correction carried out.

²⁰ Waste figures for 2014 may be subject to slight modification when the annual waste declaration is filed with the public authorities. In addition, waste from drilling operations have to be considered: 58.793 tons (2012), 115.978 tons (2013) and 105.469 tons (2014).

Materials

EN1: Materials used by weight or volume.

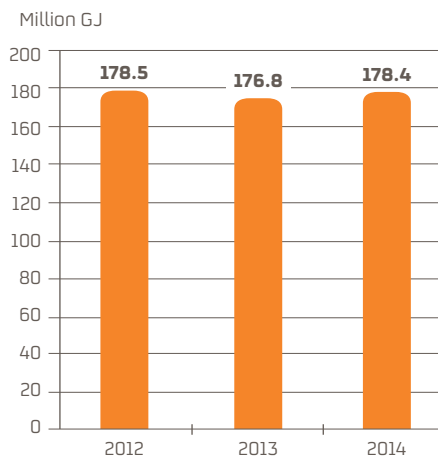
Information responding to this indicator is reported in the 2014 Management Report, section 5.2.1, Main downstream activities.

Energy

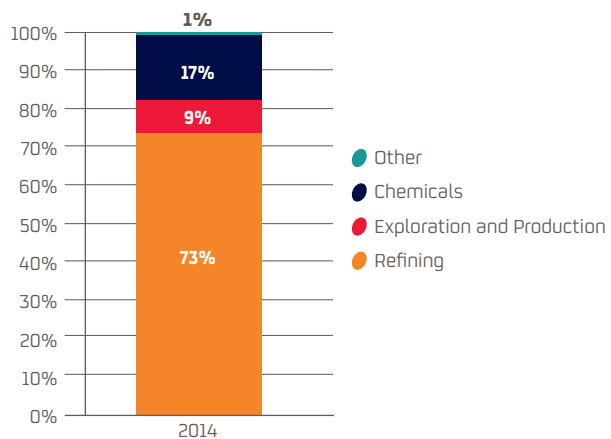
EN3: Direct energy consumption by primary energy source.

	2012	2013	2014 ²¹
Fuels (million tons)	3.75	3.66	3.75
Electricity purchased (10 ⁶ MWh)	1.77	2.11	3.09
Steam purchased (10 ⁶ GJ)	3.56	4.12	5.12

Energy consumption trend



Energy consumption by activity



The company's consumption of energy²² was similar to that of previous years. The Refining business shows the highest energy consumption, followed by Chemicals and Exploration and Production.

²¹ Data currently being verified. Once verification is completed, they will be available on repsol.com.

²² To calculate the energy consumption we apply our Environmental Parameters Application (EPA) which takes into account all fuels burned at the facility to make the energy required for its different processes (external fuel, mostly natural gas, and internal fuel generated at the facility) and the net balance steam and electricity imports and exports.

OG2: Total amount invested in renewable energy.

Renewable energy investments in 2014 consisted mainly of offshore wind projects, with nearly €20.3 million.

New Energies on
the Repsol website

For more information on these projects, see New Energies on the Repsol website.

OG3: Total amount of renewable energy generated by source.

Repsol Nuevas Energías UK is making progress on the development of three offshore wind energy projects in the UK: Inch Cape, Moray Firth and Beatrice.

Repsol's renewable generation projects			
Project	Guarantee participation	Description	Status at 2014
Inch Cape through the company Inch Cape Offshore Limited (ICOL).	Repsol (51%) and EDP ²³ Renewables (49%)	Total installed capacity of 784 MW. The offshore wind project will have a maximum of 110 turbines, in a total area of 150 km ² . A connection agreement has been reached with the UK transmission grid through the Cockenzie plant (East Lothian) for up to 600 MW.	In October 2014, the project was approved by Marine Scotland for a capacity of 784 MW and a maximum of 110 turbines. Conceptual engineering is at its final stage, which is expected to conclude in the first quarter of 2015.
Moray Offshore Renewables Ltd (MORL)	Repsol (33%) and EDP Renewables (67%)	Installed capacity of 1,116 MW. Total area of 226 km ² . A connection agreement has been reached with the UK transmission grid in New Deer for up to 1000 MW.	In March 2014, the project was approved by Marine Scotland for a capacity of 1,116. Initial concept engineering studies have been completed.
Beatrice Offshore Windfarm Limited (BOWL)	Repsol (25%), SSE ²⁴ Renewables (50%) and Copenhagen Infrastructure Partnership (25%)	Total installed capacity of 750 MW. Total area of 131.5 km ² . A connection agreement has been reached with the UK transmission grid through Blackhillock (Maryshire) for up to 664 MW.	In March 2014, the project was approved by Marine Scotland for a capacity of 750 MW. The conceptual engineering stage ended in 2014.

New Energies on
the Repsol website

For more information on these projects, see New Energies on the Repsol website.

Repsol is also taking part in the project of Principle Power, Inc. (PPI). PPI is the first company in the world able to design, install and operate a floating semi-submerged structure for offshore wind generation. The first prototype at real scale, WindFloat1, is equipped with a Vestas 2 MW turbine, and has produced 12 GMh since it started up in late 2011.

²³ Energías de Portugal.

²⁴ Scottish and Southern Energy.

PPI is leading the pre-commercial project WindFloat Pacific (WFP) of 30 MW in the Pacific Ocean off the US coast of Oregon. The project is strongly supported and subsidized by the US Department of Energy (DOE), and PPI is leading, through its wholly-owned subsidiary WindPlus, Ltd, the Windflow Atlantic (WFA) project for the development of a 25 MW offshore wind park off the coast of Viana do Castelo. This project has been selected by the European Commission for a grant of €30 million as part of its NER300 Program.

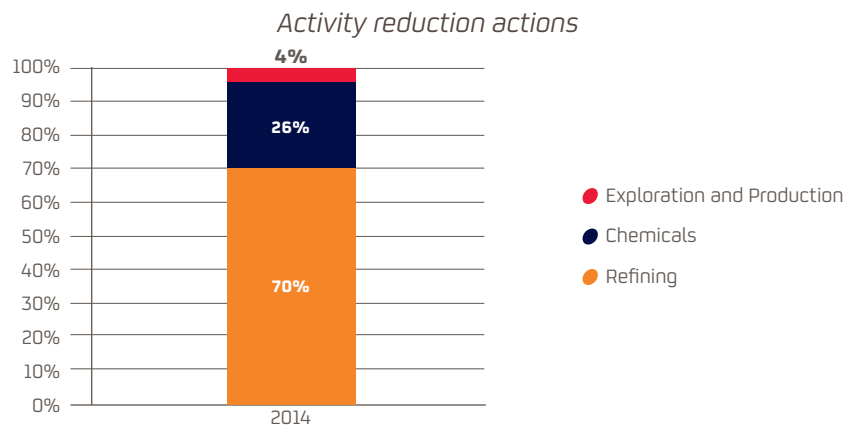
In 2014, PPI was selected out of 6,000 companies from 60 countries as one of the Global Cleantech 100, a list of the 100 industrial companies with the most promising and innovative clean energies.

EN4: Indirect energy consumption by primary source.

	2012	2013	2014 ²⁵
Electricity consumed (10 ⁶ MWh)	4.81	4.67	4.93
Steam consumed (10 ⁶ GJ.)	79.07	77.62	75.26

EN5: Energy saved due to conservation and efficiency improvements.

2014 was the first of the company's new 2014-2020 Energy and Carbon Plan, under which we have set the target of reducing CO₂ by 1.9 million tons in a scenario of "business as usual". During the year, actions implemented have reduced 452 kilotons²⁶, which is equivalent to 7.03 million GJ. Tons of CO₂ were converted to saving of energy by using the specific factors annually calculated for each country.



Repsol continues to implement at its facilities an Energy Management System pursuant to the requirements of International Standard ISO 50001. In 2014, the upstream asset at Ecuador Block 16 was certified. Seven facilities have now been certified, and we continue to work on progressively implementing the system in different business units. The company's energy policy and vision are truly embodied in its actions, and it can more readily monitor its goals and objectives in the short, medium and long term, as part of a process of continuous improvement.

²⁵ Data currently being verified. Once verification is completed, they will be available on repsol.com.

²⁶ Savings achieved by implementation of CO₂ reduction actions are currently being verified. Once verification is completed, they will be available on repsol.com.

EN6: Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.

In 2014, we continued to promote electrical mobility through IBIL. We have more than 450 operational public and private charging points, and we continue to consolidate the fast-charging infrastructure for electric vehicles in Repsol Group service stations. As part of the CLIMA projects, we have managed to document reduction of CO₂ emissions for the second consecutive year and the Repsol CLIMA Electric Car Project has been selected for the third consecutive year by the Ministry of Agriculture, Food and the Environment.

During 2014, electrical mobility has been also incorporated to the Repsol paddock of MotoGP circuits, owing to the collaboration of Scutum²⁷ (electric motorbike supplier) and IBIL, which is responsible for managing the charging point. We are continuing with the corporate car-sharing program, a new and innovative form of mobility that allows for reducing the use of private vehicles. The 225 users registered in the service in 2014 have traveled more than 45,000 kilometers with no contaminant emissions.

Collaboration with our clients to provide them solutions with the maximum energy efficiency is a priority for the LPG sales area. Through our programs "Personalized home plan" or "SolarGas" (with combines solar energy solutions with gas), customers will not only see their energy needs met with an emission-low supply, but can also accede to energy efficiency advisory services to create a personalized design of the facility and select the best available technology. With SolarGas, estimated savings in gas consumption can reach 23%, thus reducing associated CO₂ emissions.

But not only the bond with the customer is important. We also undertake initiatives to extend best practices in energy efficiency throughout our network of licensed service stations. In this case, best practices and available technologies are evaluated with an energy advisory service that aims to optimize energy consumption. By implementing domotic systems to automatically control power on or off and the temperatures of climate-control units and refrigerators, or agreements with third parties for the replacement of existing lighting with more efficient solutions, significant savings can be attained (up to 84% if LEDs are implemented).

EN7: Initiatives to reduce indirect energy consumption and reductions achieved.

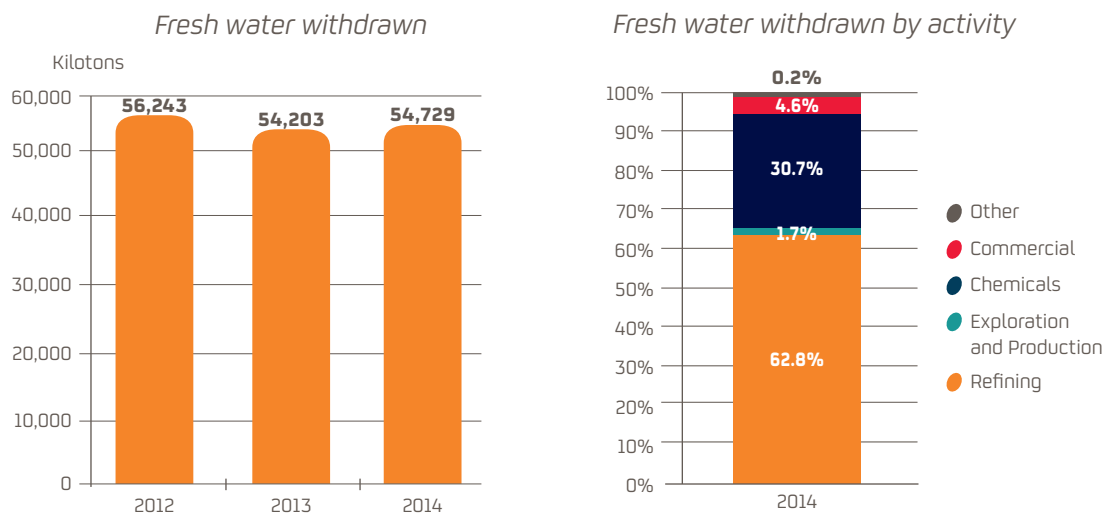
The response to this indicator is included in the response to indicator EN18.

²⁷ Scutum Logistic, S.L, an investee since 2014 under the INNVIERTE program, is dedicated to the design, production and sale of electrical platforms and battery extraction systems for electrical motorbikes.

Water

EN8: Total water withdrawal by source.

During 2014, we withdrew 54,729 kilotons of fresh water, a similar quantity as in 2013²⁸. Our main fresh water sources are the public network [79%], surface resources [17%], and to a lesser extent underground aquifers [4%].



Refining is our most intensive activity in terms of fresh water use, followed by Chemicals.

EN9: Water sources significantly affected by withdrawal of water.

At Repsol, we consider water to be a strategic resource. Local water at each operating facility is strengthened by the company's global focus which applies the best practices and standards uniformly across the group as a whole.

We have developed our own tool, the Repsol Water Tool, which incorporates aspects of the Global Water Tool²⁹ and the Local Water Tool³⁰, the two main methodologies developed and adapted to the oil and gas industry for identifying and evaluating water-related risks. This tool has enabled us to draw up a water management map, which we have used in 2014 to work on defining the company's baseline, and to define a 2015-2020 water management improvement action plan.

²⁸ The fresh water figure for 2013 has been modified following publication of the 2013 Corporate Responsibility Report, due to a later correction carried out.

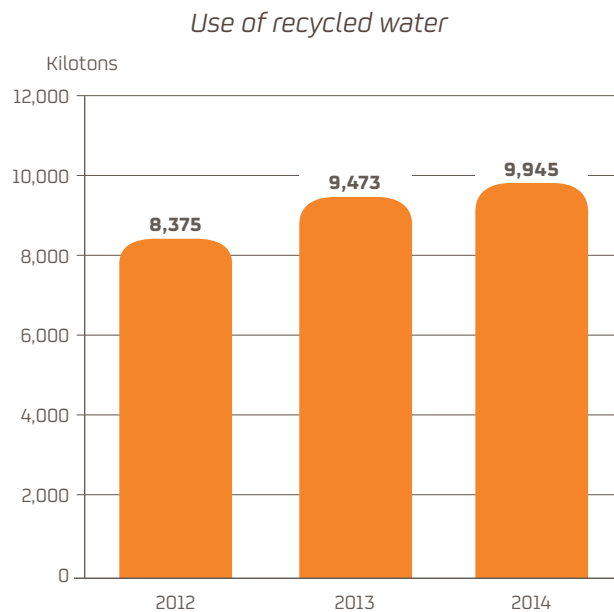
²⁹ Global Water Tool: developed by the World Business Council for Sustainable Development (WBCSD) and adapted to the oil and gas sector by The Global Oil and Gas Industry Association for Environmental and Social Issues (IPIECA). Its objective is to locate facilities in water scarcity maps and to calculate key water management indicators at global company level. Repsol has participated in developing the tool through IPIECA's Water Task Force.

³⁰ Local Water Tool: developed and adapted to the oil and gas sector by Global Environmental Management Initiative (GEMI). It is used to identify and evaluate water-related impacts and risks of the center at a local level in aspects such as availability, quality, and ecosystems related to bodies of water affected by the center. Repsol has worked with GEMI in adapting the tool to the oil and gas sector.

The action plan is focused on three working lines: first, improvement of knowledge of the surroundings and uses of water, which will enable us to have a good inventory; second, adequate management of resources and efficient use of water, reducing competition for this strategic resource, and; third, improvement of treatment technologies and adjustment of discharge parameters to the most strictest environmental standards.

EN10: Percentage and total volume of water recycled and reused.

In 2014, we increased the volume of water reused by 5% compared to 2013. The percentage of reused water in relation to withdrawn water stood at 18%.



Biodiversity

EN11: Description of land adjacent to or located within protected natural spaces and unprotected areas of high biodiversity. State the location and size of lands owned, leased or managed which have high biodiversity and are outside protected areas.

Detailed
information.
Biodiversity

For Repsol, the protection and conservation of biodiversity and of the services it provides are key elements to the development of our activities. This link detailed information is available on our actions in this respect.

EN12: Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.

Understanding, preventing and minimizing the negative impacts on biodiversity is essential for our company. Repsol has been the first oil and gas company to apply the IPIECA Biodiversity and Ecosystem Services (BES) Management Ladder methodology, which is used to analyze the current situation of existing Exploration and Production assets and identify the next steps. This methodology is based on the study of the following areas: Integration of biodiversity and ecosystem services in management of the business, involvement of stakeholders, construction of a biodiversity baseline, identification and management of potential impacts and selection of indicators.

Repsol has opened 153 working lines within the areas defined by the Management Ladder. A further area based on communication has been added to the six practices defined by this methodology. Sharing challenges and learning from experience in other business areas is key to ensuring progress in this field.

In the Exploration and Production business, potential impacts may occur at any point in the life cycle of our activities. In order to assess these impacts, we identify both direct impacts (e.g., disturbance to wildlife, fragmentation of habitats, alterations to the landscape and the hidrology, pollution of soils and water resources, etc.) and indirect impacts (e.g., the opening up of access routes in remote areas, the accidental introduction of invasive species, or changes to the local socioeconomic structure) as these could also pose a threat to biodiversity.

For more
information on this
subject

This link contains further information on our actions in this respect.

EN13: Habitats protected or restored.

Repsol is implementing asset abandonment plans, paying particular attention to restoration of habitats. An example of this is the restored habitat in Block 16 (Ecuador) and the restoration project being rolled out in Block 57 (Peru), where we are monitoring the revegetation of the pipeline and the abandonment of the platforms.

EN14: Strategies, current actions, and future plans for managing impacts on biodiversity.

Repsol is committed, by virtue of its position in biodiversity, to respect biodiversity in the planning and implementation of its projects and operations, while preventing possible adverse impacts on ecosystems. At Repsol, we have integrated biodiversity and ecosystem services to the safety and environment management system, and we voluntarily report our performance in these areas and train our employees. We also participate in research consortia with universities and international bodies, such as the Proteus consortium with the UNEP-WCMC³¹, and we are carrying out specific studies to understand the environment in which activities are performed.

³¹ United Nations Environment Programme's World Conservation Monitoring Centre.

This understanding of both the social and environmental surroundings in the earliest stages of projects includes identification of biologically sensitive species and areas, in addition to potential impacts and dependences of ecosystem services. Repsol's business units have specific lines of management of biodiversity and ecosystem services that are part of a corporate strategy aligned with advanced technology provided by benchmark forums such as IPIECA, IOGP³² and the Cross-Sector Biodiversity Initiative IPIECA-ICMM³³-EPBanks³⁴].

The most significant advances made in 2014 were:

Bolivia:

In the Bolivia business unit, the social and environmental baseline has been performed in the Caipipendi area in 2014, and work is ongoing on the definition of the Mamoré area. Noteworthy projects include monitoring of the impact on biodiversity during the 2D seismic campaigns in Huacaya Norte and Margarita Sur.

Brazil:

Due to our offshore operations, within the ACT agreement³⁵, Repsol Sinopec Brasil has worked on the Shoreline Protection and Cleanup project to draw up a sensitivity map of the entire Brazilian coast in order to support planning and response management in the event of accidents.

The project uses the concept defined in the maps of environmental sensitivity to oil spills (SAO maps) and elaborates standardized strategic sheets. The project also contributes to updating all these maps, and constitutes an important tool for the National Contingency Plan.

Colombia:

In 2014, the Colombia business unit characterized biotic communities of the Guajira Offshore and Siluro blocks, and identified sensitive biological areas of Guajira Offshore. Accordingly, a sensitivity map of the coasts of Guajira Offshore, Camuro and Siluro was drawn up.

Ecuador:

In 2014, the Ecuador business unit carried out a number of projects to reduce pressure on the natural resources of communities in the area of Block 16. We have performed a fish farming project in the Guiyero Waorani community, we have collaborated in maintaining the plant nursery of the Waorani Timpoka and Kichwa Pompeya communities, and we have built a pig nursery in the Yarentaro Waorani community.

We have also implemented an environmental awareness-raising and communication program both for employees hired by Repsol and for local communities.

³² International Association of Oil & Gas Producers.

³³ International Council on Mining & Metals.

³⁴ Equator Principles Banks.

³⁵ ACT: technical cooperation agreement reached in August 2013 by the *Instituto Brasileiro do Meio Ambiente e dos Recursos Renováveis* (IBAMA) and the *Instituto Brasileiro de Petróleo, Gas e Biocombustíveis* (IBP) to improve the process of assessment of environmental impacts and environmental management related to activities of exploration and production of oil and gas.

Norway:

For the Hagar PL-642 project in Norway, we have carried out a study of sensitive areas. The study includes an identification of coral reef populations and we have created a seasonal distribution map of fish, birds and marine mammals. In this project, we have engaged local and inter-municipal stakeholders in the definition of the strategy to handle oil spills.

Peru:

In 2014, we carried out the first Ecosystem Services Review to be performed at Repsol, with the aim of understanding the dependencies and impacts of both communities and the company on services provided by nature (ecosystem services). This study provides better knowledge of the environment in which we operate, enabling us to plan our activity more efficiently and prevent and minimize potential impacts.

We have also implemented two important projects related to biodiversity conservation: the monitoring program of the *Leopardus pardalis* (key indicator specie) near the Communal Reserve of Machiguenga and the project to identify sensitive biological areas in 3D seismic campaign, thus preventing impacts in the same. We have also drawn up this year a sensitivity map for the Urubamba and Ucayali rivers.

For more information on this agreement

Lastly, we note the agreement reached between Repsol and the National Service for State-Protected Natural Areas (SERNANP) to improve biodiversity management in the Machiguenga and Ashaninka communal reserves. More information on the agreement is available at this link.

Russia:

In Russia, we have centered our work on deepening the existing baseline in the Arctic region and in the western region of Siberia, and in the development of flora and fauna studies in the Karabashky block. We have also engaged stakeholders in the Karabashsky project (Kondinsky region).

Spain:

The Spanish business unit has focused its efforts on understanding the distribution and migration routes of marine mammals in the Canary Islands by means of observation and passive acoustic monitoring.

We have also presented the Biodiversity Action Plan (BAP) for the surroundings of the Gaiá dam, where the land is owned by Repsol and is included in a protected *Red Natura 2000* natural area.

In this BAP, we have identified the strong points and opportunities at the level of biodiversity, as well as the current problems and the most necessary actions. The action plan includes different types of actions: one-off actions, structural actions, communication actions, regulatory actions and so on.

We are currently initiating the implementation phase of this action plan. We will shortly commence a number of the actions, such as reduction of the risk of forest fires, recovery of masses of carob trees, interpretive signage, construction of a nesting tower for bird species of interest and the elimination of invading exotic species.

Trinidad and Tobago:

After the exploratory drilling carried out in Trinidad and Tobago, we have implemented a monitoring project to study the water quality, sediment and fauna, and we have analyzed and compared it with the results of the 2007 monitoring program.

Exploration projects:

In the 14 exploration projects carried out in 2014, Repsol has developed ESHIAs³⁶ to ensure the identification and adequate management of impacts.

We have carried out conservation actions in Aruba to study the behavior and reaction of marine turtles during the implementation of offshore seismic campaigns, in order to prevent and mitigate any possible impact. Measures implemented have been quite innovative. First, we have used VHF transmitters, which transmit a frequency that is captured by a VHF receiver, thus detecting the presence of turtles within the established area of exclusion (500 meters) and requiring a stoppage of activity until the turtles leave the area. Another measure was the installation of GPS in 30 turtles in order to analyze their behavior in 2014 and 2015 through a compiling of data related to migration routes, the areas through which they transit and the relationship with their biological cycle, their depth and time under water, or areas of concentration, among other data. This will also enable minimization of impacts during seismic campaigns.

OG4: Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored.

We have assessed the threats to biodiversity in all our Exploration and Production assets and projects. To determine our performance in this field, we measure a series of indicators, as shown in the following table:

Indicator ³⁷	Result [%]
Centers where biodiversity-related risks have been assessed	100
Centers where biodiversity-related risks have been found	52
Centers in which the area of influence has been calculated	80
Centers with specific biodiversity management and ecosystem services	92
Degree of implementation of specific biodiversity management and ecosystem services	94

³⁶ ESHIA: Environmental, Social and Health Impact Assessment.

³⁷ Performance indicators in biodiversity have been calculated for our Exploration and Production assets.

EN15: Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

The following table shows the number of species in areas affected by our Exploration and Production operations:

Number of species in areas affected by our Exploration and Production operations	
Number of critically endangered species	41
Number of endangered species	158
Number of vulnerable species	370
Number of threatened species	351
Number of species for which there is insufficient data	544

Emissions, effluents and waste

EN16: Total direct and indirect greenhouse gas emissions by weight.

Direct emissions of CO₂ equivalent in 2014 came to 13.8 million tons, thus staying at levels comparable to those of 2013. Each year an external company is called in to verify that the company's greenhouse gas inventories meet the highest quality and accuracy standards.

In 2014, progress was made in improving the quality of green house gases inventories, with verification of 98% of total direct emissions of the company according to the standard ISO 14064. It is also important to note that we have increased the percentage of assets in which emissions of CH₄ and N₂O have been verified under this standard ISO 14064, made by the Spanish and Peruvian Refining business and the upstream assets of Casablanca (Spain), Teak, Poui and Samaan (Trinidad and Tobago), Margarita (Bolivia) and Block 16 (Ecuador).

Scope 1: Direct greenhouse gas emissions ³⁸			
	2012	2013	2014 ³⁹
CO ₂ (million tons)	13.24	13.37	13.19
CH ₄ (million tons)	0.028	0.029	0.019
N ₂ O (tons) ⁴⁰	724	639	626
CO ₂ eq (million tons) ⁴¹	14.1	14.2	13.8

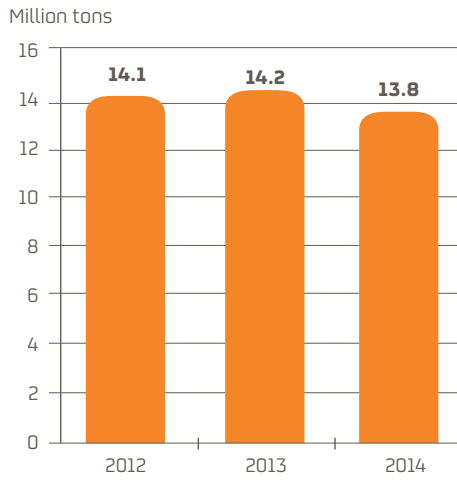
³⁸ For data on emissions from mobile sources, only those associated with the transport itself are included.

³⁹ Data under process of regulatory verification. Once verification is completed, they will be available on repsol.com.

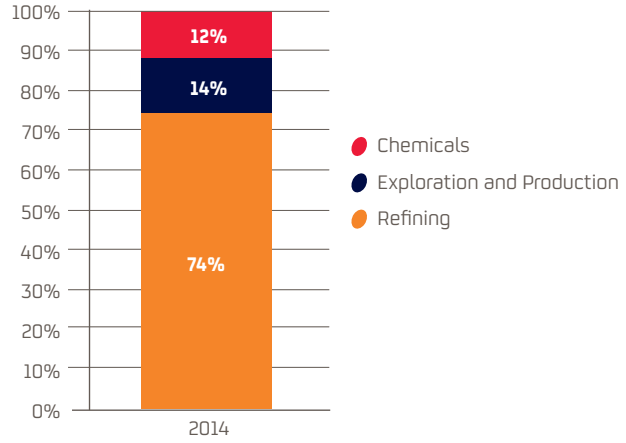
⁴⁰ Only includes emissions of N₂O that are verifiable under ISO 14064.

⁴¹ Includes emissions of CO₂, CH₄ and N₂O in terms of CO₂ equivalent.

Direct emissions of CO₂ eq



Emissions of CO₂ eq by activity

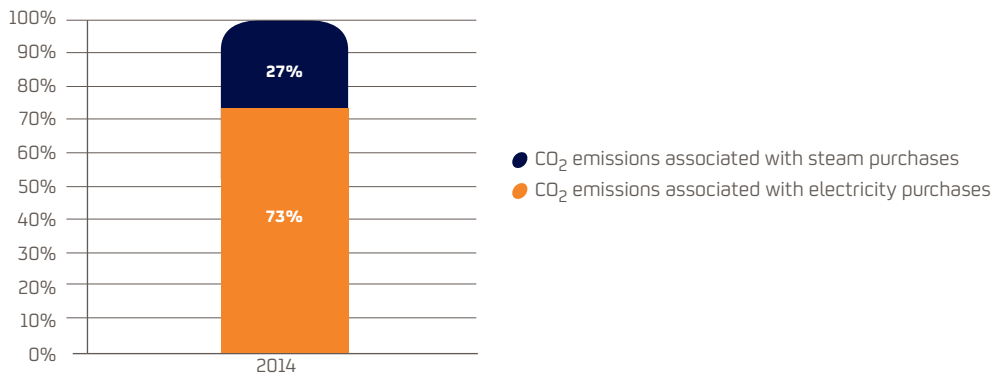


Most emissions derive from the Refining business, followed by Exploration and Production and Chemicals.

Indirect emissions of greenhouse gases associated with the purchase of electricity and steam in 2014 amounted to 1.17 million tons.

Scope 2: Indirect greenhouse gas emissions		
Million tons	2013	2014
Indirect emissions of CO ₂ associated with the purchase of electricity and steam	0.97	1.17 ⁴²

Indirect emissions



Most of the indirect emissions are associated with the purchase of electricity.

⁴² Data under process of regulatory verification. Once verification is completed, they will be available on repsol.com.

We also remain committed to offsetting the carbon footprint of some of our activities and events. In 2014, we offset the CO₂ emissions associated with holding the General Shareholders' Meeting, our participation in the World Petroleum Congress of Moscow, holding the Campus Open House Days and those arising from the Annual Plan of the Sales Division.

A total of 291 tons of CO₂ was offset. Ten tons of CO₂ equivalent associated with the Campus Open House Days were offset by sponsoring 50 trees for five years in zone 28 of *Finca Solanillos*, in Guadalajara, Spain. The remaining 281 tons of equivalent CO₂ were offset by the purchase of the same number of voluntary carbon credits generated from the Venta II wind project in Mexico, in which Repsol is participates through the Spanish Carbon Fund.

EN17: Other relevant indirect greenhouse gas emissions by weight.

Within our scope 3 emissions, the following indirect CO₂ emissions are considered significant: those associated with the purchase of goods and services; those associated with the transport and distribution of our products and those arising from the marketing of these products, which are the most significant.

Scope 3: Indirect greenhouse gas emissions			
Million tons	2012	2013	2014
Indirect emissions of CO ₂ associated with the purchase of hydrogen	0.76	1.34	0.78 ⁴³
Indirect emissions of CO ₂ associated with the purchase of goods and services (not including hydrogen)	6.40	6.16	6.10
Transport and distribution of products	1.56	1.52	- ⁴⁴
Emissions of CO ₂ derived from the marketing of products	117.04	113.87	115.50

Although other Scope 3 emissions are not significant, calculations have been made of emissions associated with our employees' business trips: 12,286 tons of CO₂ in 2014.

EN18: Initiatives to reduce greenhouse gas emissions and reductions achieved.

In 2014, 130 investments and operating improvement measures were carried out across all the company's operations. The following table contains the main actions performed:

⁴³ Data under process of regulatory verification. Once verification is completed, they will be available on repsol.com.

⁴⁴ Calculation of 2014 emissions associated with transport and distribution of products under way. Once verification is completed, they will be available on repsol.com.

Business unit	Facility	No. of actions	Type of actions	Emission reductions (t CO ₂ eq) ⁴⁵
Refining Spain	A Coruña refinery	18	Efficiency improvements in furnaces, energy integration of units, compression of propylene steam and operating improvements.	40,488
	Cartagena refinery	10	Improvements in insulation and reductions of steam in boilers, redistribution of products and operating improvements.	64,700
	Puertollano refinery	14	Insulation of tanks, improvements in furnace instrumentation, recovery of flared gases and reduction of steam consumption.	20,238
	Tarragona refinery	38	Reduction of steam consumption, new Dynamic Matrix Control (DMC), redistribution of products and optimization of operating parameters.	59,361
	Bilbao refinery	27	Energy integration, replacement of turbine with engine and reduction of steam consumption.	127,461
Chemicals - Europe	Puertollano Facility (Spain)	2	Reduction of consumption in cracker Transfer Line Heat (TLX) exchangers and minimization of recycles.	3,513
	Tarragona Facility (Spain)	10	Modifications in furnaces for fuel change, replacement of gas turbines, remodelling of cracker primary fractioning system and other modifications through investment.	112,549
	Sines Facility (Portugal)	1	Furnace convection modifications	3,662
Refining Peru	La Pampilla Refinery (Peru)	5	Reduction of steam consumption	3,548
Exploration and Production - Ecuador	Block 16 (Ecuador)	4	Recovery of flared gases, improvement in generation with Wärtsilä engines, modifications in distillation column (topping) and optimization of crude transport.	11,373
Exploration and Production - Trinidad and Tobago	TSP Asset, Trinidad and Tobago	1	Replacement of diesel generators with gas	5,126

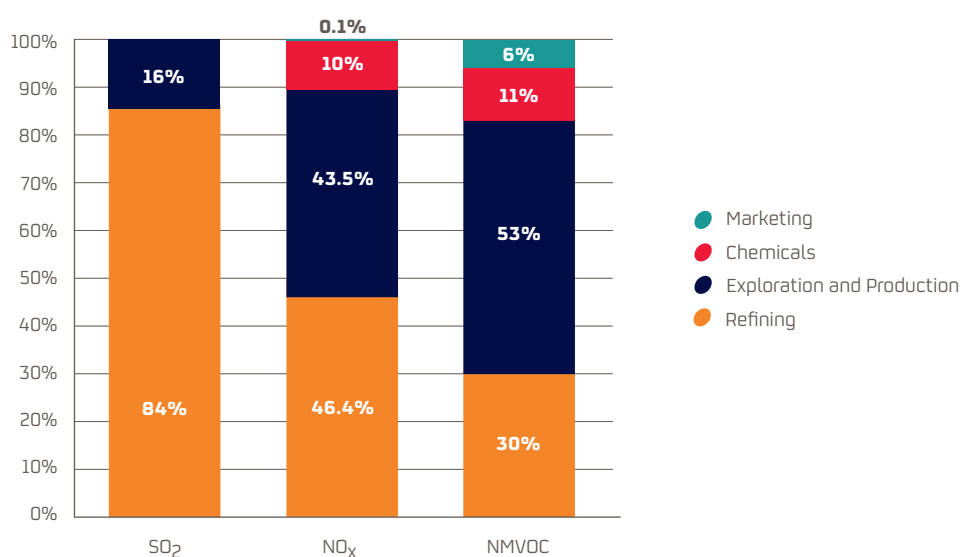
⁴⁵ Data under process of regulatory verification. Once verification is completed, they will be available on repsol.com.

EN20: NO_x, SO_x and other significant air emissions by type and weight.

Our main atmospheric emissions are greenhouse gases, sulfur dioxide (SO₂), nitrogen oxides (NO_x) and non-methane volatile organic compounds (NMVOC).

Atmospheric emissions			
Tons	2012	2013 ⁴⁶	2014
SO ₂	36,949	34,263	29,800
NO _x	33,566	33,858	35,399
NMVOC	42,885	41,667	45,851

SO₂, NO_x and NMVOC emissions by activity



In 2014, we had a sharp decrease in SO₂ emissions, mainly due to the change in the type of fuel used in refineries, where we have reduced the consumption of fuel oil by 65%.

The increase in NO_x emissions is due to the addition of new operating units in Exploration and Production.

EN21: Total water discharges by quality and destination.

In 2014, our facilities discharged an average of 35,920 kilotons of water, 80% of which was fresh water.

Thousands of tons	2012	2013 ⁴⁷	2014
Water discharged	38,925	38,965	35,920

⁴⁶ The NO_x and NMVOC figures for 2013 have been modified following publication of the 2013 Corporate Responsibility Report, due to a later correction carried out.

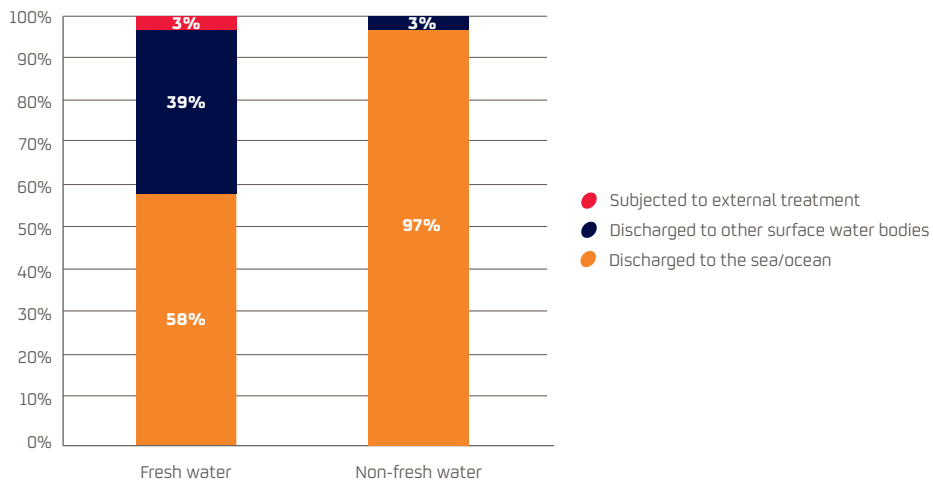
⁴⁷ The figure for 2013 has been modified following publication of the 2013 Corporate Responsibility Report, due to a later correction carried out.

The fluid effluents from our facilities are subjected to purification processes to minimize their environmental impact and ensure compliance with legal requirements.

The type of wastewater treatment process is specific to the activity and the characteristics of the site. Treatment may be a physical-chemical [primary] process, completed with a biological [secondary] process, or even include more advanced treatment [tertiary process] or other specific processes for contaminants that are non-degradable using conventional treatments.

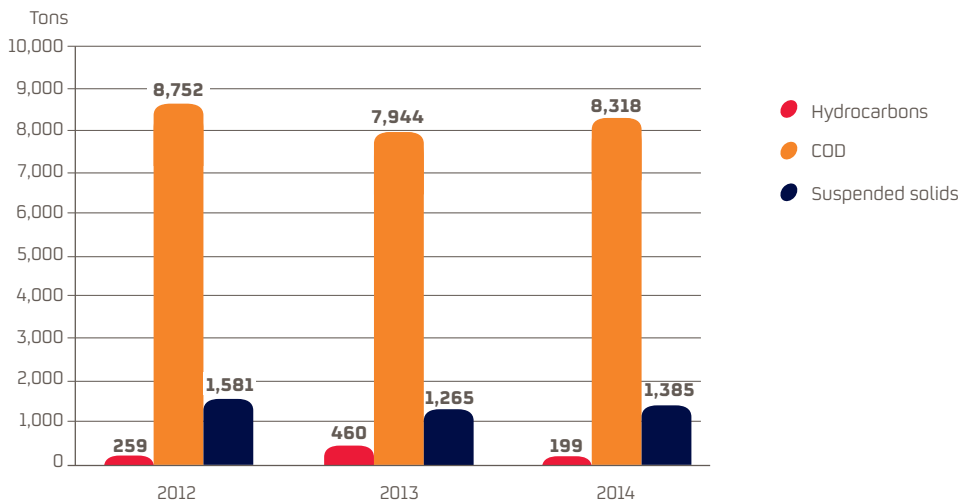
In 2014, 59% of water discharged underwent advanced treatment processes, 30% underwent secondary processes and the remaining 11% underwent primary processes as the quality of the discharged water did not require more complex treatment.

Water discharged by destination



The main contaminants discharged in our facilities are: hydrocarbons, suspended solids, and organic matter likely to undergo oxidation, measured as Chemical Oxygen Demand (COD).

Main contaminants discharged



Hydrocarbons discharged by activity in 2014		
Activity	Tons	%
Refining	44	22
Exploration and Production	139	70
Chemicals	1	1
Marketing	14	7
Total	199	100%

OG5: Volume of produced water.

Virtually all the produced water comes from our Exploration and Production assets.

Thousands of tons	2012	2013	2014
Produced	58,556	60,578	57,491
Injected	53,678	57,831	54,242

Water management is included in the company's Environmental Performance Practices (EPP). These guidelines establish a set of standards applicable to all geographical areas in which the company operates and regardless each country's specific legislation.

EN22: Total weight of waste by type and disposal method.

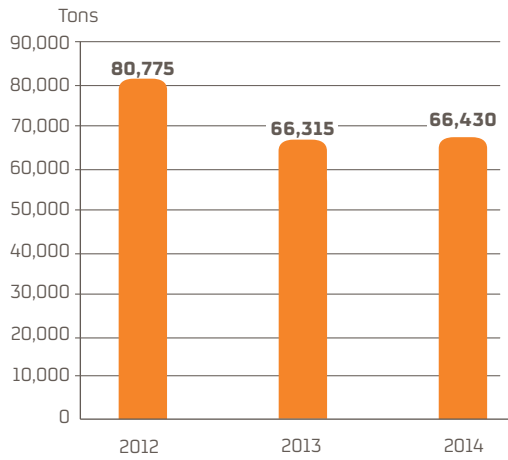
We are working to improve waste management throughout the lifecycle of our processes. In 2013, the company waste map was designed, with adaptation of reporting criteria to the best sector practices and with definition, for the first time, of a quantitative reduction target, compliance of which has been verified by an independent expert.

Owing to the work carried out by different business units, the company comfortably met and even exceeded the target, achieving a reduction of 29 kilotons in 2014⁴⁸ (reduction from the 2012 business as usual waste generation baseline). In view of this success, the company decided to review the reduction potential and set an even more ambitious target: 50 kilotons of waste for the 2015-2020 period.

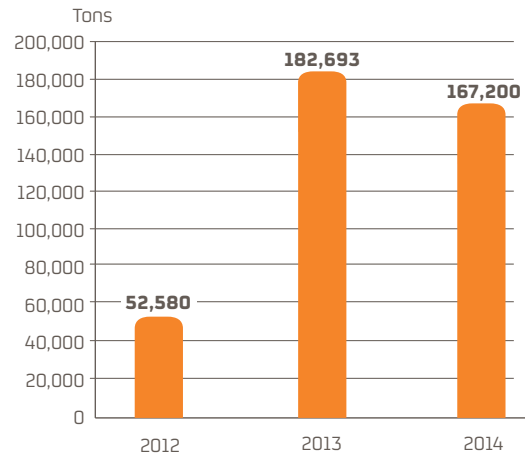
In addition to this quantitative target, qualitative measures have been established to improve waste management. Repsol has set improvement targets for the Exploration and Production business through the implementation of company Environmental Performance Practices. These guidelines are a set of standards applicable to all geographical areas in which the company operates and regardless each country's specific legislation.

⁴⁸Waste figures for 2014 may be subject to slight modification when the annual waste declaration is filed with the public authorities.

Hazardous waste



Non-hazardous waste



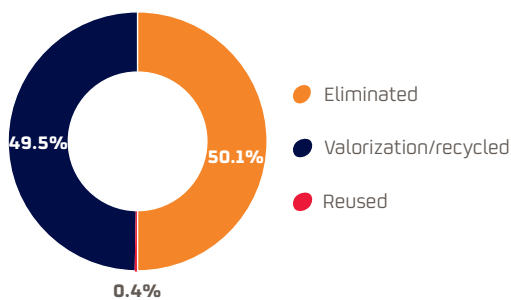
	Hazardous waste	Non-hazardous waste
Exploration and Production	26%	11%
Refining	49%	73%
Chemicals	18%	10%
Commercial	7%	6%

These data do not include the amount of waste generated in drilling activities, detailed information for which is contained in the OG7 indicator of this report.

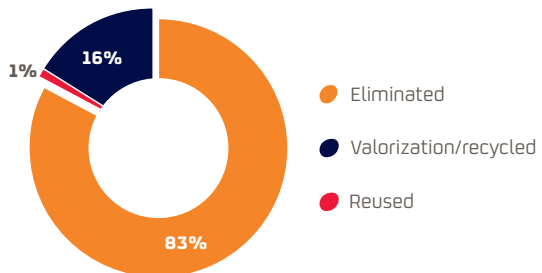
The reduction was achieved mainly in refining, owing to the implementation of a new method for cleaning the bottom of tanks (COW⁴⁹ method) and the addition of the mud from the Wastewater Treatment Plant to the Coquer Plant.

At Repsol, we are working to improve waste management throughout the life cycle of our processes. To do this we prioritize minimizing waste generation and reducing dumping by reusing and recycling waste products, according to the best waste practices guidelines.

Hazardous waste management



Non-hazardous waste management



⁴⁹ COW: Crude Oil Washing

EN23: Total number and volume of significant spills.

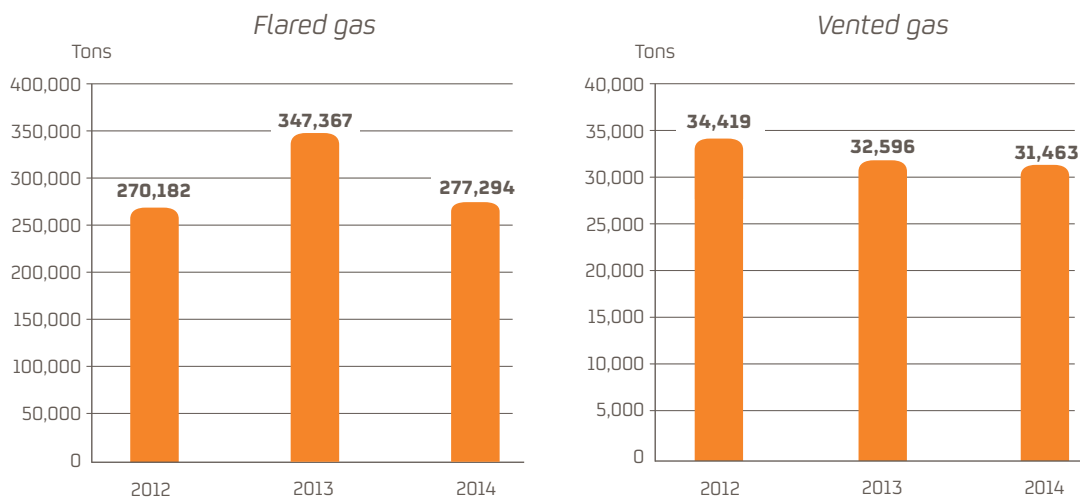
Given the nature of our operations, preventing spills is a critical objective for Repsol. In 2014, 316 tons of hydrocarbon oil was spilled.

HC spills ⁵⁰ > 1 barrel reaching the environment			
	2012	2013	2014
Number of spills	29	14	17
Amount of spills (tons)	6,091	15	316

We had four significant spills⁵¹: a hydrocarbon spill in the Pampilla refinery in Peru, a diesel spill in Marketing Perú, a diesel spill in Ecuador and a synthetic drill mud spill in Angola. When an accident of this type takes place, we activate our emergency response mechanisms to reduce the impact on the environment as far as possible, and then we undertake further preventive actions to keep it from happening again.

Hence, we have continued with the planned work of reviewing procedures, improving management of change and alarms, automation and introduction of new safety systems, review of company surveillance and control mechanisms, analysis of the best market standards and application of the best available technologies.

OG6: Volume of flared and vented hydrocarbon.



At Repsol we are working to reduce the amount of flared and vented gas produced. The following actions were taken in 2014:

Green Completion project

- A 23% reduction in flared gas in Block 16 in Ecuador thanks to the Tivacuno reduction project.
- Green Completion Project in Margarita, Bolivia, for the recovery of gas that is flared in normal conditions of operation. More information on this project available at this link.

⁵⁰ HC: Hydrocarbons

⁵¹ A significant spill (depending on the amount spilled and the sensitivity of the area) is one that reaches the environment and that meets one of the following conditions: it is more than 100 barrels, it is more than 10 barrels in a sensitive area, or any other spill of a substance that is not a hydrocarbon that is more than 10 barrels with environmental significance due to its high salinity, acidity, toxicity, lack of biodegradability, etc.

OG7: Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal.

Waste from drilling operations			
Tons	2012	2013	2014
Water-based cuttings and fluids	58,584	114,302	93,489
Non water-based cuttings and fluids	209	1,676	11,980
Total	58,793	115,978	105,469

Management of waste from drilling operations (cuttings and fluids) is regulated by the company's Environmental Performance Practices (EPP). These guidelines establish a set of standards applicable to all geographical areas in which the company operates and regardless each country's specific legislation.

In 2014, we carried out a drill mud and cuttings accumulation monitoring project on the marine bed of the Canary Islands, with the aim of analyzing the impact. The project has been performed in collaboration with Oceaneering, the proprietary company of the Remotely Operated Vehicle (ROV), used to estimate the column of cuttings and mud accumulated on the sea bed and to take photographs and videos necessary to make the follow up. The next step will be the implementation of the project in Angola.

Products and services

EN26: Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.

At Repsol, we have accepted the challenge of providing the energy necessary to ensure our welfare in a way that is cleaner and has less impact on the environment. We do this by encouraging innovation, development and research.

At the Repsol Technology Center, a large number of projects are developed with the objective of continually improving processes and creating products that allow us to use energy intelligently, reducing consumption and minimizing the impact on the environment.

Upstream

In 2014, we optimized the Hydrocarbon Early Automatic Detection of Spills (HEADS) in water bodies, which was developed in 2013. This tool can automatically detect even small amounts of hydrocarbons in water bodies, under any atmospheric or light conditions. The tool has been implemented on the Tarragona jetty and the Casablanca platform (off the coast of Tarragona) and we are considering its implementation in other environments and countries. The project is a clear example of Repsol's commitment to the environment.

Downstream

Chemical Technology continues to boost efficiency in the use of resources and the reduction of environmental impact as one of the key vectors of action. Specifically, research and development continued in 2014 on catalysts and processes for the use of CO₂ as a raw material for polymers, the development of eco-design methodology and its application to new polymer materials from the initial phases of R&D, and the industrial demonstration of an alternative catalyst formulation for the manufacture of polypropylene that is more environmentally friendly.

For energy efficiency in Refining, we have added new lines of activity related to improvements in distillation and recovery of hydrogen, the use of membranes and new desulfurization processes.

One of the most successful projects in 2014 was the use of *autogas* (automotive LPG) in direct injection liquid phase engines, thus complying with the Euro 6c emissions standard (in force from 2017) in both emissions of gases (CO, HC and NO_x) and the number of particles, with no need for a particle filter. The reduction in CO₂ emissions against gasoline came to 14.9%, which will enable a new generation 2015 gasoline vehicle to attain the CO₂ emission target set for 2020. The results of the project have been presented in a number of international congresses. We have also filed two applications for a European patent deriving from the same.

Relying on existing lines of collaboration with Imperial College and SK Lubricants, our partner in ILBOC⁵² for the production of Group III bases, we have carried out extensive experimentation to demonstrate the Fuel Economy⁵³ potential of lubricant formulas for the engine and gearboxes and differentials. We have developed a correlation model that allows us to calculate the fuel saving capacity of Group III bases compared to the mineral and synthetic bases of Group IV.

In the environment, the heating gas project EcoEnergy has yielded an environmentally friendly gasoil that is compatible with production and logistics frameworks, and which can be adapted to the most advanced home heating technologies. The project is completed by generation of a NO_x emission prediction model based on the formulation and characteristics of the gasoil, enabling us to draw up an emissions map according to the critical parameters of the fuel and a specification for the new heating gasoil Repsol EcoEnergy. The combination of this new heating gasoil with state-of-the-art boilers can yield levels of NO_x emissions that are similar to those of natural gas boilers.

Due to the potential environmental benefits of the reduction of CO₂ emissions, the increase in energy efficiency and the reduction of local atmospheric contaminant emissions, the project is financially supported by the Financial Mechanism of the European Economic Area, EEA Grants.

In the Asphalts business, we have designed special emulsions for the use of eco-efficient products in the total recycling of road surfaces at a low temperature. This technology is one of the most eco-efficient options in the road sector, combining the advantages of lower consumption of natural resources and energy resources for the construction of new road surfaces. This option, which could constitute and anticipate a technological trend in road recycling, is now being tested at real scale in Seseña and we plan to treat a number of sections of road in the city of Madrid in jointly with the city council.

⁵² Iberian Lube Base Oils Company

⁵³ A "Fuel Economy" lubricant allows fuel savings under normal driving conditions, and thereby helps reduce CO₂ emissions and protect the environment by minimizing the emission of harmful particles.

Other products we are currently working on include decontaminating emulsions with photocatalytic activity that can reduce levels of NO_x and other harmful contaminants in urban settings. These contaminants come from road traffic which is why we have focused on them. Our products consist of emulsions of asphalt binders with components that are activated by solar radiation, causing NO_x to oxidate into nitrates. The nitrates are removed from the air and are solubilized by the rain and eliminated by the drainage system. We have achieved emulsions that can reduce the level of NO_x by 2% in the laboratory, and are working on improving this figure.

Competition products

Repsol's competition products project is a research effort that has the fundamental aim of developing the knowledge necessary to formulate fuels and lubricants for the Moto GP world championships.

The joint development of the engine-fuel-lubricant helps the Repsol-Honda team compete at the top tier and progress towards an ever more efficient future with lower fuel consumption and CO_2 emissions.

Another key challenge for us is to ensure that society benefits from the industrial implementation at a competitive price of new technologies that have been developed and validated through competition. For Repsol, competition is a continuous driver of development that brings us closer to more sustainable transport.

Prospection

Prospection studies of energy for transport enable us to anticipate technological changes linked to environmental and energy efficiency requirements. This allows us to define R&D projects that help us analyze the competitiveness of new propulsion systems in conjunction with different energy sources (fossil fuels and renewables) and identify the most efficient and economically sustainable solutions.

SPAIN Project

The SPAIN project arose from an analysis of the energy prospection study for transport, with the aim of developing an advanced integrated propulsion system that combines a combustion engine, an electric engine and recovery of thermal energy as an integral solution to reduce environmental pollution and CO_2 emissions and determining the limits of this integration.

We will carry out the project as part of a consortium of national automotive companies led by Repsol. A demonstration vehicle will be built, for which our company will develop new, highly efficient fuels and lubricants.

Repsol's commitment to research into **new energy technologies** is centered on three areas: biotechnology, valorization of CO_2 , and electricity storage.

In biotechnology, we have worked on the development of technological capacities in synthetic biology applied to energy by building a research team that places Repsol in a leadership position in this new field. As part of this activity, we have designed and are currently developing a micro-organism based on a new synthetic metabolic route (not identified in nature to date), for the generation of new advanced biofuels.

Further, in order to develop new processes associated with the major challenge of converting CO₂ into value-added products, we have completed the *Transforma CO₂* project in collaboration with universities, companies and technology centers, involving an exploratory and competitive study of the seven most promising technologies and selection of the technology of the greatest interest and potential.

Lastly, electricity storage activities for transport have been consolidated through Repsol's participation in international consortia that are investigating battery technologies with the greatest potential to overcome the limitations of present electric vehicles. We have also evaluated and researched different models of electric vehicles and fast-charge solutions, for the purpose of understanding and improving aspects such as charge speed and its impact on the vehicle battery.

OG8: Benzene, lead and sulfur content in fuels.

All the fuel we supply to the market meets current quality specifications: EN228 for gasolines and EN590 for gasoil. Under these specifications, gasoline and gasoil must be free of sulfur compounds (maximum 10 mg/kg) and have a low content of aromatic compounds (less than 1% v/v of benzene in gasoline), greatly helping to improve the environment by reducing emissions of volatile components. Repsol has worked to improve its processes to achieve these objectives.

Hence, the project to improve the quality of the fuel of the La Pampilla Refinery in Peru is still being developed, with nearly €94 million invested in 2014, and which will enable us to produce diesel and gasoline with a 0.005% sulfur mass.

The current technical specifications in Peru, NTP 321.004 (1981) and NTP 321.090 (1984), approved by INDECOPI and enforced by the General Directorate of Hydrocarbons, regulate the volatility properties of gasoline. With regard to gasohol⁵⁴, in 2009 R.M. N° 515-2009 MEM/DM established the same specifications for this compound as for gasolines and the vapor pressure for gasohol has been set at 11 psi.

This regulation stipulates that the maximum sulfur content in all gasolines must be 0.2% and high octane gasoline (98 RON) has a much lower limit of 0.005%. Lead content must not exceed 0.013 g/l. Benzene, aromatic compound and olefin levels are not specified.

For gasoil, the sale of diesel with a sulfur content of 50 ppm in Lima, Callao and other areas in the south of the country is regulated by law. Given that there are no desulfurization facilities in Peru all the country's diesel is imported. Diesel 2 with a sulfur content of 0.5% produced at the refinery meets the specifications for sale in the rest of the country.

The regulation requires significant improvements at the facilities and the pending investment is the largest ever made at La Pampilla. By 2016 the facility will be able to desulfurize the diesel produced at the refinery and in 2017 it will have a gasoline block.

⁵⁴ Gasohol is a mix of gasoline and alcohol at different proportions for use as a fuel in combustion engines designed to burn petroleum derivatives

Compliance

EN28: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

Environmental fines /sanctions (millions of euros) ⁵⁵		
2012	2013	2014
0	0	0

Transport

EN29: Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.

Data relating to significant emissions associated with transport and product distribution⁵⁶ are shown in indicator EN17.

General

EN30: Total environmental protection expenditures and investments by type.

Environmental protection expenditure and investments are reported in the company's Consolidated Financial Statements, notes 30.1, Environmental assets, and 30.3, Environmental expenditure.

⁵⁵ Arising from litigation or administrative procedures ended in the year, of a significant amount for the individual companies of the Repsol Group.

⁵⁶ Calculation of 2014 emissions associated with transport and distribution of products under way. Once verification is completed, they will be available on repsol.com.

Social indicators

Labor practices and decent work

Social	2012	2013	2014
Repsol personnel (number) ⁵⁷	23,995	24,214	24,460
Number of fatalities	4	0	0
Personnel covered by collective agreement (percentage)	57	57	56
Female staff (percentage)	32	32	33
Women in management posts (percentage)	15	15	15
Women on the Board of Directors (number)	2	2	2
Total turnover rate (percentage)	8	7	7
Investment in training (millions of euros)	19.00	19.63	17.5
Training per employee (hours)	42	40	44
Repsol staff who receive performance evaluations (percentage)	38	60	63
Differently-abled employees (number)	543	654	674
Teleworking staff (number)	1,037	1,222	1,411
Incidents of discrimination (number)	3	2	1
Voluntary social investment (millions of euros)	25.05	24.58	26.03

Employment

LA1: Total workforce by employment type, employment contract and region, broken down by gender.

The company employed a total of 26,141 people at year-end 2014. Of these, 24,460 employees of nearly 60 nationalities were working at companies under the direct control of Repsol. All the information presented in this section refers to these employees. The company employs people across 36 countries, chiefly in Spain (71%) and Peru (12%). We also have a significant presence in Portugal (5%), Ecuador (4%) and the USA (2%). These five countries account for 94% of our employees.

Individuals by type of contract and gender						
	2012		2013		2014	
	Men	Women	Men	Women	Men	Women
Total employees by gender	16,290	7,706	16,357	7,857	16,343	8,117
Employees by type of contract						
Permanent	14,944	6,929	14,987	7,006	15,015	7,233
Temporary	1,346	777	1,369	852	1,328	884
Total employees by year	23,995		24,214		24,460	

⁵⁷Total workforce at 12/31/2014

The percentage of Repsol employees with a permanent contract has remained constant in the past three years at 91%, with 32% of them women. The percentage of employees covered by the collective bargaining agreements has also remained unchanged. There was an increase in the group of people excluded from the collective bargaining agreement and, of these, in women, in line with the efforts made by the company to add women to the workforce.

	2012	2013	2014
Percentage of Repsol employees with a permanent contract	91%	91%	91%

Workforce by country and gender									
Country	2012			2013			2014		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Algeria	9	51	61	8	59	67	10	64	74
Angola	0	2	2	8	19	27	12	18	30
Argentina	1	2	3	1	2	3	0	1	1
Aruba	0	0	0	0	1	1	0	1	1
Australia	0	0	0	0	1	1	0	0	0
Belgium	1	0	1	2	0	2	2	0	2
Bolivia	56	159	215	58	209	267	57	228	285
Brazil	47	94	141	47	105	152	53	108	161
Canada	9	42	51	10	39	49	12	38	50
Chile	0	1	1	0	0	0	0	0	0
China	0	0	0	0	2	2	1	6	7
Colombia	12	13	25	13	25	38	18	29	47
Cuba	1	4	5	0	1	1	0	0	0
Ecuador	118	814	932	125	806	931	110	781	891
France	4	9	13	4	11	15	4	10	14
Germany	0	5	5	0	5	5	0	5	5
Guyana	0	6	6	0	1	1	0	1	1
Holland	2	4	6	3	6	9	3	5	8
Indonesia	2	6	8	2	8	10	2	12	14
Iran	0	1	1	0	0	0	0	0	0
Iraq	2	17	19	3	23	26	2	15	17
Italy	16	17	33	16	23	39	13	24	37
Kazakhstan	2	2	4	1	0	1	1	0	1
Libya	15	85	100	25	121	146	19	90	109
Mexico	7	17	24	7	18	25	5	7	12
Morocco	1	0	1	2	0	2	2	0	2
Namibia	0	0	0	1	2	3	1	3	4
Norway	11	25	36	12	28	40	15	28	43
Peru	1,191	1,824	3,015	1,145	1,727	2,872	1,232	1,764	2,996
Portugal	448	761	1,209	455	792	1,247	458	779	1,237

Workforce by country and gender									
Country	2012			2013			2014		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Romania	0	0	0	0	0	0	0	1	1
Russian Federation	49	127	176	29	46	75	34	49	83
Singapore	0	4	4	1	4	5	2	7	9
Spain	5,398	11,661	17,059	5,536	11,657	17,193	5,689	11,614	17,303
Switzerland	3	1	4	3	1	4	3	1	4
Trinidad and Tobago	65	159	224	69	155	224	70	152	222
UK	10	22	32	11	23	34	11	26	37
United Arab Emirates	3	3	6	2	3	5	3	8	11
United States	141	208	349	165	263	428	184	316	500
Venezuela	82	143	225	93	171	264	89	152	241
Total	7,706	16,289	23,995	7,857	16,357	24,214	8,117	16,343	24,46

There are no significant differences in the origin of our employees compared to previous years. There was an increase of 18% of US nationality due to the greater hiring of local personnel as part of the growth of activity in that country.

Employees by nationality and gender			
Country of nationality	2014		
	Women	Men	Total
Algeria	5	26	31
Angola	20	19	39
Argentina	33	103	136
Belgium	1	3	4
Bolivia	60	235	295
Brazil	63	89	152
Bulgaria	8	4	12
Canada	12	34	46
Chile	6	9	15
China	3	9	12
Colombia	59	67	126
Croatia	1	2	3
Cuba	7	10	17
Democratic Republic of São Tome and Príncipe	1	3	4
Dominican Republic	2	0	2
Ecuador	131	807	938
Egypt	2	6	8
France	22	45	67
Germany	6	12	18
Holland	1	8	9

Employees by nationality and gender			
Country of nationality	2014		
	Women	Men	Total
Hungary	1	2	3
India	0	15	15
Indonesia	4	31	35
Iran	1	8	9
Iraq	2	7	9
Italy	33	68	101
Kazakhstan	2	0	2
Libya	16	64	80
Malta	1	1	2
Mexico	6	14	20
Morocco	6	8	14
Mozambique	1	1	2
Norway	6	14	20
Other nationalities [27]	14	25	39
Pakistan	0	2	2
Paraguay	2	0	2
Peru	1,243	1,747	2,990
Philippines	1	1	2
Poland	6	4	10
Portugal	442	747	1,189
Republic of Cabo Verde	6	9	15
Republic of Guinea	2	3	5
Romania	41	16	57
Russian Federation	39	38	77
Senegal	0	2	2
Singapore	0	3	3
Spain	5,436	11,386	16,822
Sweden	2	2	4
Switzerland	2	1	3
Trinidad and Tobago	66	119	185
Tunisia	0	2	2
UK	11	50	61
Ukraine	6	1	7
United States	146	237	383
Uruguay	1	4	5
Venezuela	129	220	349
Total	8,117	16,343	24,46

LA2: Total number and rate of new employee hires and employee turnover by age group, gender and region.

In 2014, the reporting criteria was modified in order to more closely align it with the objective of the indicator. This change in the criterion means that not only the first permanent hires are reported, but also the movement of temporary workers to permanent positions and temporary hires. 32% of the new hires were under permanent contracts.

Women represented 46% of the total new hires at Repsol.

New hires at Repsol by age group and gender														
	2013	2014												Total
		Under 21		21-30		31-40		41-50		51-60		Over 60		
		F	M	F	M	F	M	F	M	F	M	F	M	
Peru	765	115	91	301	198	103	71	8	12	1	3	-	1	904
Spain	3,347	42	70	616	772	643	670	304	327	47	109	-	13	3,613
Rest of Latin America ⁵⁸	225	1	13	16	99	12	58	3	17	1	3	-	-	223
Rest of the world ⁵⁹	319	11	13	53	90	48	55	25	27	7	7	-	1	337
Total:	4,656	169	187	986	1,159	806	854	340	383	56	122	-	15	5,077

In 2014, this returned to 2012 levels in Spain. In 2013, there were no partial retirements and, accordingly, there were no replacement contracts, with a decrease in new hires.

In Peru, the economic growth of the country in 2014 opened the way to greater job opportunities in different fields and provided more job opportunities to young people, which explains the high turnover rate in that age segment. Further, the restructuring of business such as refining, with the development of the RLP 21 project, and the organizational study of the Colca Project have led to the increase and the creation of new jobs.

Employees starting and ending employment															
	2012	2013	2014											Total	
			Under 21		21-30		31-40		41-50		51-60		Over 60		
			F	M	F	M	F	M	F	M	F	M	F		M
Peru	111	195	47	39	74	50	22	14	3	2	1	0	0	1	253
Spain	29	0	0	0	1	0	1	3	5	3	0	0	0	2	15
Rest of Latin America ⁵⁸	16	11	0	8	1	20	0	7	0	1	0	0	0	0	37
Rest of the world ⁵⁹	5	8	5	0	3	11	3	2	0	1	1	0	0	0	26
Total:	161	214	52	47	79	81	26	26	8	7	2	0	0	3	331

⁵⁸ Argentina, Bolivia, Brazil, Colombia, Ecuador and Venezuela.

⁵⁹ Algeria, Angola, Canada, France, Germany, Indonesia, Iraq, Italy, Libya, Mexico, Trinidad and Tobago, Norway, Netherlands, Portugal, Russia, Singapore, Switzerland, United Kingdom and United States.

Employee turnover rate

Total turnover rate by gender and age [%] ^{60 61}															
Country	2012	2013	2014												
	Total	Total	Under 21		21-30		31-40		41-50		51-60		Over 60		Total
			F	M	F	M	F	M	F	M	F	M	F	M	
Peru	15	18	100	151	44	29	20	9	8	6	7	4	0	9	23
Spain	7	5	0	4	1	2	3	2	2	2	3	3	136	182	4
Rest of Latin America ⁵⁸	15	9	N/A	N/A	5	25	9	11	7	9	8	10	0	27	13
Rest of the world ⁵⁹	6	6	N/A	N/A	11	11	5	5	5	3	7	4	7	8	6
Total:	8	7	88	85	18	12	6	3	3	3	4	3	62	69	7

The high turnover rate in Peru is concentrated in the Marketing business and is aligned with the economic growth and labor market of the country.

Repsol's ability to retain talent is reflected in low voluntary turnover rates among its employees.

Total turnover rate by gender and age [%] ^{60 62}															
Country	2012	2013	2014												
	Total	Total	Under 21		21-30		31-40		41-50		51-60		Over 60		Total
			F	M	F	M	F	M	F	M	F	M	F	M	
Peru	13	12	75	108	36	23	18	7	7	3	4	0	0	3	18
Spain	1	1	0	0	1	1	2	1	0	0	0	0	0	1	1
Rest of Latin America ⁵⁸	11	6	N/A	N/A	5	15	4	4	1	2	4	2	0	5	5
Rest of the world ⁵⁹	5	4	N/A	N/A	10	10	4	4	5	2	4	2	4	3	4
Total:	3	3	67	55	15	9	4	2	1	1	1	1	2	2	3

LA3: Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant operation locations.

Repsol Group employees may have access to a range of social welfare benefits, depending on the company that employs them. Repsol studies the social context in every country and sector, focusing its contributions on those social areas that are least developed.

These benefits do not depend on the duration of the contract, the time or the type of working day, but rather on the company collective bargaining agreement covering the employee. This criterion applies to all countries.

⁶⁰ The data of some groups with an unrepresentative number of employees are not shown.

⁶¹ We calculate the voluntary turnover rate as the number of people voluntarily and involuntarily leaving the permanent workforce in relation to the total Repsol workforce at 31 December of the year.

⁶² We calculate the voluntary turnover rate as the number of people voluntarily leaving the permanent workforce in relation to the total Repsol workforce at December 31 of the year.

Type of social benefits	
Benefit	Description
Pension plan contributions	Company contribution of certain percentages to employment plans Carries a life insurance policy ⁶³
Food allowances	Food allowances per working day, consisting of canteens, meal vouchers, restaurant cards or some other form.
Subsidized loans	Subsidy of mortgage loan interest for purchase of first home ⁶³
Social assistance	Study assistance for school-age children Other forms consist of aid for children with a disability equal to or greater than 33% ⁶³
Health care	Right to a health care insurance policy contracted by the company under different conditions depending on the company ⁶³
Accident and life insurance	Accident and life insurance that acts as a guarantee against possible death, major disability or absolute permanent disability, or until retirement. In the event of one of these contingencies, the beneficiaries designated by the policyholder will receive the amount for which the employee is insured ⁶⁴
Study assistance	Subsidy of 50% of the cost of tuition for studies certified by the Ministry of Education ⁶⁴

Allocation to social benefits (millions of euros)			
Social benefits	2012	2013	2014
Pension plan contributions	39.8	41.3	44.1
Food allowances	13.8	15.1	15.7
Subsidized loans	0.65	0.67	0.69
Health care	21.1	24.1	26.9
Accident and life insurance	6.3	5.1	3.6
Study assistance	6.1	7.2	6.4
Other social benefits	0.44	0.44	0.38
Total	88.2	93.9	97.8

The allocation to accident and life insurance has decreased compared to previous years due to decreases in the premium arising from changes in the age pyramid of the insured group.

Social benefits by country

Repsol provides competitive social benefits in every setting, many of them oriented towards completing social benefit schemes (health, retirement, etc.)

⁶³ Available only in some Repsol Group companies

⁶⁴ Available only for some groups

Social welfare expenses in countries in which we have significant activities were as follows:

Allocation to social benefits by type and country, with significant activities (in euros)			
Country	2012	2013	2014
Ecuador	4,247,416	4,451,202	4,586,714
Peru	3,223,381	3,493,449	3,913,406
Portugal	4,162,924	4,465,919	4,513,669
Spain	57,352,667	56,943,458	54,334,686
Rest of the world	19,274,338	24,543,976	30,499,052
Total	88,260,727	93,898,004	97,847,528

LA15: Return to work and retention rates after parental leave, by gender.

Adapting to the customs and practices of every country, Repsol provides paid leave for maternity, breastfeeding, paternity and marriage, exceeding statutory provisions in most of the countries where it is active.

Return to work following maternity and paternity leave

Repsol has defined and established a minimum work-life balance scheme at a worldwide level that exceeds the local legislation in many of the countries where we are present, and that provides standard levels of protection to its employees, especially with respect to maternity.

In general, people stay in the company after making use of maternity or paternity leave.

Return to work following maternity and paternity leave									
	2012			2013			2014		
	F	M	Total	F	M	Total	F	M	Total
Employees included ⁶⁵	7,340	15,456	22,796	7,459	15,468	22,927	7,688	15,426	23,114
Total employees entitled to maternity or paternity leave	417	625	1,042	470	611	1,081	448	533	981
Total employees enjoying such leave no longer working for the company one year later.	24	17	41	23	8	31	46	11	57

Labor/Management relations

LA4: Percentage of employees covered by collective bargaining agreements.

Our commitment to employment stability in Spain is set down in the Sixth Framework Agreement, which was in force until December 31, 2015, article 20 of which guarantees employment stability.

⁶⁵ Considering data for the significant countries: Spain, Peru, Bolivia, Brazil, Ecuador, Portugal and Venezuela. The data in the first row relates to the aforementioned countries, which accounted for 95%, 95% and 94% of Repsol's total workforce in 2012, 2013 and 2014, respectively.

The signatories of the same agreed to guarantee the employment stability of all employees in the Repsol Group. This involves a commitment to the use of non-traumatic mechanisms in restructuring workforces across the Repsol Group as a whole.

This Framework Agreement also includes the Equality Plan and the Guidelines on Conduct that can favor the appearance and prevention of harassment, and the regulation of inter-company mobility as a way of relocating available personnel and optimizing Repsol Group workforces.

Employees covered by collective bargaining agreements						
	2012		2013		2014	
	M	F	M	F	M	F
Percentage of employees covered by collective bargaining agreements, by gender	59%	55%	58%	54%	58%	52%
Percentage of employees covered by collective bargaining agreements.	57%		57%		56%	

In 2014, there were no significant differences compared to previous years in the percentage of employees covered by a collective bargaining agreement. The slight decrease is due to the incorporation of people to the "excluded from collective bargaining agreements" category and, within this group, the number of women has increased, in line with the company's efforts to add women to the workforce.

LA5: Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.

Depending on the country, the minimum number of weeks notice for workers and their representatives is between one and four weeks. In Spain, the majority of the Group's collective bargaining agreements set out that decisions affecting the organization of work are notified to the workers' legal representatives prior to general publication. Nevertheless, some Group companies do specify minimum notice of 15 days in their collective bargaining agreements. In Portugal, the Employment Code requires consultation with the Workers Council when there are changes to the organization of the company's workforce.

Occupational health and safety

LA7: Rates of absenteeism, occupational illnesses, lost days and total number of work-related fatalities, by region and by gender.

Absenteeism

Policy on people management

Repsol has committed itself, in its [Policy on people management](#), to value, promote and facilitate work-life balance by creating mechanisms to develop both facets and adapting them to different settings. These include flexible working hours, dual professional training and teleworking.

The absenteeism rate for employees covered by the collective bargaining agreement in Spain was 3.31%⁶⁶ in 2014. The absenteeism rate only includes absence from the workplace for reasons of illness, excluding other forms of absenteeism, such as maternity, paternity and industrial accidents, among others.

Work-life balance

Repsol is broadly recognized as one of the best companies to work for in Spain, and it is putting into practice its firm commitment to a balance between one's personal and professional life.

The teleworking program is considered a success across the entire organization, with advantages for all groups: it allows for work-life balance, it brings savings in travel time, greater concentration on work and, consequently, improved productivity and contribution of value.

Teleworking fosters a change from a more in-person culture towards a culture oriented toward efficiency and the addition of value, increases the sentiment of belonging to the company, helps improve the working environment and, accordingly, productivity, and has become a tool for attracting and retaining talent.

In 2014, a comparative analysis was made of the performance of employees in the teleworking program in between 2011 and 2013, and a positive impact was found in the performance of people who teleworked, among both those covered by the collective bargaining agreement in Spain and those outside the agreement. Some 93.30% of employees outside the collective bargaining agreement improved or maintained their score during the period, and 94.75% of employees covered by the agreement achieved an outstanding or satisfactory score. In this year, 1,411 people throughout the world are registered in the teleworking program.

Teleworking in Repsol							
Country	2012	2013			2014		
		Women	Men	Total	Women	Men	Total
Ecuador	10	12	2	14	8	1	9
Peru	26	17	15	32	17	16	33
Portugal	29	21	7	28	27	13	40
Singapore					1	0	1
Spain	972	761	387	1,148	871	457	1328
TOTAL	1,037	811	411	1,222	924	487	1,411

All occupational illnesses

In 2014, one case classified as an occupational illness occurred in Spain, which gives a value in the Occupational Illness⁶⁷ Rate of 0.006 to the country.

⁶⁶ Indicator calculation methodology (pursuant to GRI standard): Absenteeism rate (AR)= (days lost per absence/days worked)*200,000

⁶⁷ The occupational illness rate is calculated as follows: [(total number of cases of occupational illnesses)/(total hours worked)]*200,000

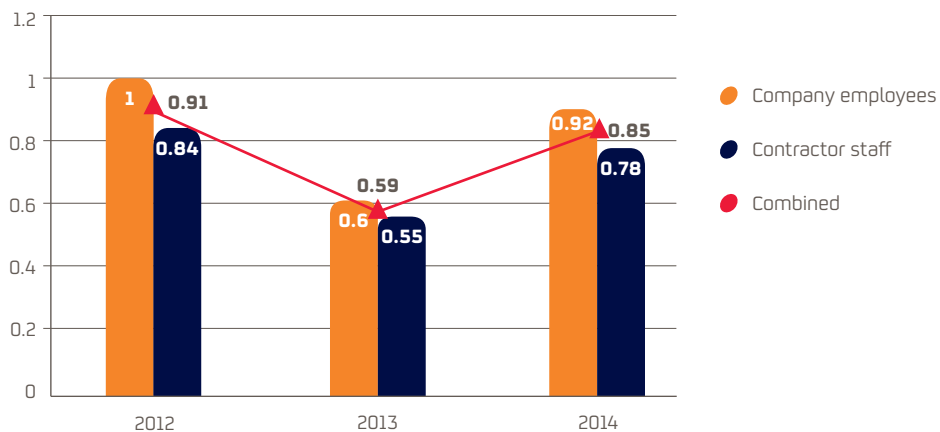
Accident rate, leave, days lost

For the second consecutive year, there were no fatal accidents in 2014. This was achieved thanks to the work and commitment of the whole company in the search for a cultural change in the area of safety.

Fatal accidents			
	2012	2013	2014
Company employees	0	0	0
Contractor staff	4	0	0
Total	4	0	0

Repsol has a number of accident indicators⁶⁸ to measure performance in this field. One of these indicators is the Lost Time Injury Frequency Rate (LTIFR)⁶⁹ for company employees and contractor staff, which increased by 44% on the previous year. Nevertheless, we remain on the path of reduction established in 2013 to place us in the first quartile of sector companies and attain the goal of zero accidents in 2020.

Lost Time Injury Frequency Rate



Further, the Total Recordable Incident Rate (TRIR)⁷⁰ for company employees and contractor staff is monitored to include other accidents. This indicator decreased by 19% compared to the previous year and includes injuries resulting in sick leave and injuries not resulting in sick leave, thereby providing more extensive information than LTIFR.

We also continued to focus on the importance of reporting incidents and on preventive indicators through the investigation of accidents, establishment of improvement actions and lessons learned from such incidents in order to identify and control future potential risks. This year, a Dupont safety perception survey was carried out, showing an improvement of 29% as compared to the year 2010.

⁶⁸ To process the safety indicators, Repsol's corporate regulations set out a common methodology and criteria for recording incidents, which is complemented by an incident management indicator guide. These indicators include safety ratios for 100% of the staff in subsidiaries where Repsol holds a majority interest and/or has operating liability (control).

⁶⁹ Lost Time Injury Frequency Rate: number of lost time accidents and fatal accidents accumulated during the year per million hours worked.

⁷⁰ Total Recordable Incident Rate: number of with and without lost time accidents and fatal accidents accumulated during the year, per million hours worked.



Further, road transport is a significant cause of accidents among our employees and contractors. One of the company's main lines of work is to improve transport safety. Repsol has implemented, with positive results, improvement plans in countries where the rate of such accidents is higher. The Sustainable Road Safety and Travel Plan has been developed by the ED Sales and Marketing, with a target audience of about 900 employees.

We believe that attaining the goal of zero accidents is possible, and that it will require the involvement of all people who participate in our activities. Irrespective of their position or geographic location, all Repsol employees are responsible for their safety, and to contribute to the safety of all the people around them.

LA8: Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.

Repsol carries out a general assessment of health risks in the initial stages of its planning and develops preventative measures throughout the year. The risk assessment includes estimating the seriousness of risks, their likelihood and the required corrective or off-setting measures, and appropriate periodic checks.

Risk prevention activities are planned annually to eliminate or reduce and control all of the hazards identified. This planning also includes appropriate emergency measures and health monitoring activities, both individual and collective, applying different protocols that reflect the risks to which employees might be exposed because of their activity and workplace. Prevention activities also include employee training and information and awareness campaigns.

There may be risks of contagious illnesses (dengue fever, malaria, yellow fever, leishmaniosis, etc.) in some of the locations where we operate. The appropriate preventative measures must therefore be taken, such as vaccination programs, fumigation and control of infestations. In other situations, employees may be exposed to high noise levels or toxic substances (chemical risk), or their work might require physical exertion, repetitive movements or extended use of display screens.

In such situations, the health of our workers should be even more carefully assessed prior to assignment to such tasks.

The following are some of the significant actions taken in 2014 against specific risks:

- **Ebola:** In response to the Ebola outbreak in some West African countries, a number of information alerts were issued throughout the year, and indications for for both professional and personal action were prepared.
- **Malaria:** A significant effort was made for the dissemination and operational deployment of the procedure for activities in malaria high risk regions. Through this procedure defined in 2013, indications are set out for the company's non-health care staff, including employee family members, to enable them to understand and follow guidelines for preventing or making a diagnosis in suspicious cases, and to carry out tests for confirmation and act in the event of contagion.
- **Vaccination:** The company has disseminated and operationally deployed the guidelines for action with respect to vaccinations required in travel to certain countries and expatriations. This initiative was completed with the definition and dissemination of an internal health risk assessment scheme by country. Based on the factors used by the World Health Organization (WHO), the selected criteria were life expectancy at birth, per capita investment in health and the percentage of the population with reliable access to potable water.
- **Safety at contractors:** We have continued to deploy in some operations the certification procedure Fitness to Work in contractors to ensure higher safety levels.

In 2014, we also took specific steps in prevention in countries with a high risk or incidence of contagious diseases:

Country	Actions carried out
Angola	Information and training for workers and family members on preventing malaria and how to act in the event of any concerns.
Algeria	Consumption of bottled water in the drilling rig has been made mandatory.
Bolivia	Occupational risk prevention in the program <i>Empresa Saludable</i> , pursuant to Bolivian standard 5120001:2008: Ergonomic: Adaptation of workstations at head office for personnel with a pathology or poor posture, and support for general services with the ergonomic assessment of furniture for camps, an occupational gym in the head office and in the Margarita field operation. Preventive campaigns for traditional dengue. Campaigns were carried out in the city and in the country, with provision of repellents and preventive information materials. Pest control and fumigation was also carried out in operational camps and in the head office. Campaign against AH1N1 influenza. Staff were vaccinated against the AH1N1 influenza (southern hemisphere) during the winter months in order to provide protection for the rest of the year. Parasite eradication programs for employees and their families to avoid parasite-borne diseases. Maintenance of yellow-fever, typhoid, tetanus, diphtheria and hepatitis B immunization for all company employees. Implementation was also required for contractor personnel.
Canada	Annual vaccination campaign against seasonal flu.
Ecuador	Work vaccination program, health and hygiene measures, regular fumigation of facilities, treatment of drinking water, bacteriological analysis of water and food, and health education in all of these areas.

Country	Actions carried out
Iraq	Information provided to employees during occupational health and safety training on endemic diseases: cholera, rabies, hepatitis, MERS-CoV (Middle East Respiratory Syndrome Corona Virus). hydroalcoholic solution for washing hands supplied to all employees; monthly notices on health issued, and annual test of HIV and hepatitis mandated by the government in order to obtain residence. Detection and follow-up of cases suspected of Ebola and obligation to report all animal bites and cuts.
Peru	Ergonomic risk prevention training program. Office gym and activity training program for breaks. Specific vaccination program for workers on operations in the jungle.
Portugal	Information session on the Ebola virus.
Russia	Vaccination against Russian spring-summer encephalitis and seasonal flu. Information campaigns also carried out on Russian spring-summer encephalitis and the Ebola virus.
Spain	Flu and tetanus vaccination programs for some posts. In some locations, individual advice on prevention of sexually transmitted diseases.
Venezuela	Information campaign to prevent illness caused by the Chikunguya virus and distribution to workers of basic medications for treatment. Annual vaccination for employees and their families, including the following immunizations: anti-flu, antihepatitis B, tetanus toxoid, viral trivalent and yellow fever. Ergonomic risk prevention and postural hygiene training program.

Some programs related to assistance for workers, their families and the surrounding communities in relation to serious illnesses in 2014 were as follows:

- Awareness-raising program on illnesses and prevention measures in the Health and Wellbeing channel, on the employee intranet. This channel was maintained in 2014 as a support for health promotion and prevention of some types of illness. New content has also been added, information campaigns have been launched, and several news items published.
- Repsol Healthy Heart Plan The objective of the multi-year plan (2013-2017) is to focus early on cardiovascular risk factors. In 2014, a review was carried out of baseline information based on the parameters considered (smoking, body mass, cholesterol and the atherogenicity index, triglycerides, blood sugar, blood pressure and physical activity levels) to compare these among different units.
An awareness-raising campaign was also defined and implemented through 14 information pills through digital billboards on different topics: consumption of nuts, fruits and vegetables five times a day, excess weight and obesity, cardio-protected spaces, cholesterol and hypertension, a balanced diet, physical exercise, breakfast and nutritional information on labels, among others.
A leaflet was also designed with simple prevention tips for physical distribution to employees of service stations and other workplaces.
- Emergency assistance program for accidents and in cases of common illnesses in units that have a physical health structure.
- Regular campaigns for blood donations.

Other actions aimed at raising awareness and educating staff in the area of health by country are as follows:

Countries	Actions
Algeria	<p>Cardiopulmonary resuscitation (CPR) training associated with the installation of a defibrillator.</p> <p>Early detection for colon and prostate cancer.</p>
Bolivia	<p>Healthcare for communities in the area of the Mamoré, Margarita and Piraimiri blocks.</p> <p>Control of food safety through administration and monitoring of catering services in Margarita field, aiming to prevent poisoning and gastrointestinal illnesses.</p> <p>Health training: <i>Salva Corazones</i> first-aid course for staff and families on Saturdays. Informational talks on dependencies, contagious and metabolic diseases.</p> <p>Agreements with gyms: agreements were maintained for aqua exercises, swimming, body-building and cardio-respiratory exercises. An ergonomically equipped gym was inaugurated for the Margarita field, which includes full-time instructors.</p> <p>Work gym: the break program continued in the head office twice a week and was extended to the Margarita field.</p> <p>Action plan against human papillomavirus (HPV)</p>
Brazil	<p>Programs with several significant actions that contribute to employees' the health and wellbeing include: gym academy, nutritional follow-up, running and walking activity, workplace gym, back school, shiatsu, vaccination against the flu, healthy heart menu: fruit five times a week.</p>
Colombia	<p>Early detection and action plans against colon cancer, breast cancer and prostate cancer.</p>
Ecuador	<p>Hypertension club, cardio-metabolic diseases, obesity, osteomuscular conditions, fatty liver, digestive illnesses, anti-smoking program, vaccinations for families, parasite eradication for employees and families, health education programs, vascular disease prevention program through carotid echoes. Action plan against HPV and prevention of breast cancer</p>
Norway	<p>Prevention of breast cancer and of prostate cancer.</p> <p>Healthy Working Lives program</p>
Peru	<p>Training program in first aid, ergonomy and workplace gym.</p> <p>Family medical program (EPS), extended to dependents and parents.</p> <p><i>Cuidate</i> program. Dissemination of health newsletters on a monthly basis.</p> <p>Repsol Healthy Heart Program</p>
Portugal	<p>Medical treatment programs for workers and their families.</p> <p>Anti-smoking program.</p> <p>Healthy eating and habits events. Ergonomy</p>
Spain	<p>Assessment of psycho-social risks: In 2014, the cross-company working group worked on identification of factors in which assessment of the different units has shown the worst results. This group has defined a set of 25 improvement actions for four factors. This work will be the basis for defining specific plans for each unit.</p> <p>Health promotion and prevention: Annual colon cancer prevention campaign. For another year, the campaign achieved detection and early treatment of several cases of colon cancer.</p>
UK	<p>Early detection of colon cancer.</p> <p>Cycling program.</p>

Countries	Actions
United States	Health and wellbeing training (Wellness coaching), biometric examination. Anti-stress seminar.
Venezuela	Early detection of breast, prostate and colon cancer. Support was provided to communities through a number of activities such as medical care and parasite eradication events in rural communities near areas of operations. Support was also provided to underprivileged rural schools for the implementation of a sex education program for adolescents and repairs were made to the facilities of a rural health care center.

Training and education

LA10: Average hours of training per year per employee, by gender and by employee category.

Repsol's training model is based on a structure of collaboration that promotes contributions to innovation and the sharing of experiences and best practices among employees.

The following courses were broadly promoted among employees:

- **Basic Human Rights:** online course launched in 2012 that was mandatory in several countries in 2013 and 2014, and personally supported by the Chairman of the company, Antonio Brufau, in January 2014.
- **Ethics and Conduct Code:** online course launched in mid-2013 to provide reminders of the guidelines for conduct described in the Ethics and Conduct Code, updated in early 2013, and to strengthen knowledge of conduct that is not tolerated with respect to corruption. It is available to all employees on the virtual learning platform, and is also mandatory in Peru.
- **Module on Corporate Responsibility in the REGE master's degree** [Repsol Master's Degree in Energy Management]. This module, which is given by the Corporate Responsibility area of Repsol, is taken by all students in the REGE master's program. The course is also accessible to all Repsol employees through the virtual learning platform, and is mandatory in Peru.
- **Repsol values.** In 2014, an online course was created on Repsol values for all employees. The course exemplifies the values in conduct that can generally occur in the workplace. A leadership program was carried out for all managers, aimed at explaining the connection between business objectives and the company's values.

Average training hours per person						
Professional group	2012		2013		2014	
	Hours of training per year	Average hours/year per person	Hours of training per year	Average hours/year per person	Hours of training per year	Average hours/year per person
Executive staff	11,256	39	11,309	39	16,770	55
Technical managers	83,761	45	84,989	43	101,738	49
Technicians	648,831	56	629,870	53	677,707	57
Administrative staff	18,652	17	19,244	18	18,329	18
Operatives and juniors	246,473	27	233,339	26	268,489	30
Total	1,008,973	42	978,751	40	1,083,033	44

The increase in training hours for managers was due mainly to leadership program on values, which accounted for a total of 4,476 hours.

Training hours increased for technical managers mainly in language courses (6,968 hours). Other significant programs for this group were systematic coaching aimed at improving team efficiency (5,346 hours), foundations of human rights (1,754 hours), the Excellence in Operations and Sustainability program (EOS) on safety and the environment for Exploration and Production (4,173 hours), information security (1,540 hours) and the Management Essentials program for the US (2,554 hours).

The increase in the technicians group was due mainly to training in languages (25,728 hours). Also of note in Peru was the sales staff training program, which came to a total of 22,614 hours, and the master's and Management Essentials⁷¹ programs in the US.

For operatives and juniors, the increase was due to on-the-job training.

Average hours of training per year by professional group, person and gender in 2014				
Professional group	Hours of training per year		Average hours/year per person	
	Women	Men	Women	Men
Executive staff	3,528	13,242	75	51
Technical managers	29,825	71,913	59	46
Technicians	241,843	435,864	59	56
Administrative staff	13,544	4,785	18	16
Operatives and juniors	35,240	233,249	13	37
Total	323,980	759,053	40	46

⁷¹ Program of basic concepts of business management that covers strategy, organization, production, logistics and human resources, among other topics.

The average of training hours by category and gender increased on the previous year. Women received an average of 40 training hours in 2014, compared to 38 hours in 2013; and men received an average of 46 hours training in 2014, compared to 42 in 2013. The difference in the average hours of training for men and women in the “Operatives and juniors” category is mainly due to the higher volume of training in the industrial facilities of Repsol Petróleo, where fewer women are employed than in other companies. In other professional categories, the difference by gender is due largely to the training hours provided to people who recently entered those categories or those who have been in such categories for less time.

The company made a total investment of €17.55 million in training. In 2014, investment was optimized in training. While the amount of training was lower than 2013, the number of people trained increased by 19% and the number of training hours by 11%. This has brought about a 10% increase in the number of training hours a year per employee.

Further, it must be noted that for Repsol, training is the key to achieving a strong safety and environment culture. In 2014, the number of hours given on these topics came to 234,510, which is 12% more than in 2013. The topics to which the largest number of hours were dedicated included: control of emergencies, safety in facilities, prevention and industrial hygiene, safety and environment leadership, energy efficiency and analysis of risks and impacts.

Additionally, given that raising awareness in safety and the environment among contractors is key for our company, during the year we intensified our training programs in safety and the environment for contractors, with a total of around 400,000 hours taught, which represents an increase of nearly 80% compared to 2013.

LA11: Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

Attracting talent

Identifying and attracting talent is critical for successful business growth. We have specialist programs in place to attract, motivate and retain the best professionals in the sector.

Throughout the year, we have oriented our work towards strengthening our brand as an employer and in providing novel approaches that will enable the identification of key talent to ensure Repsol's growth. To do this, we have carried out joint initiatives with several company areas and with external collaborators that have enabled us to gain in-depth knowledge of the market of external talent and of trends in recruiting.

The Employee Value Proposition is one of the initiatives we started in 2014. This provides us with in-depth knowledge of labor markets, which accounts for most of the increase in our activity, and allows us to boost our brand as an employer in each of these markets. The objective is to attract the talent we need in the different settings where our activities take place, with a special focus on growth countries for the Exploration and Production business. In 2014, we carried out a study of trends in the north European labor market.

At the same time, we strengthened our presence in the social networks, increasing the information shared with our audience, in addition to interaction through these media and the hiring of candidates. We have also boosted our presence in employment forums for different profiles, relying on a number of methods such as working breakfasts, group dynamics, conferences, online meetings and professional workshops. In total, we participated in 14 forums.

Young talent remains one of our main commitments. This is why we continue to invest in our scholarship and intern program for occupational training as well as university profiles. Through these programs, we can provide a new focus to people who are studying, bringing the professional world closer to them and providing employability. Repsol has arranged a total of 538 scholarships and internships. Highlights include our commitment to the dual occupational training program.

As it does every year, the company hires professionals in the early years of their professional experience through master's programs given in our advanced training center (*Centro Superior de Formacion*). Specifically, 49 new hires began their professional career at Repsol in 2014.

We also organized a technical forum for the identification of people in this group. It was held in our Campus corporate head office and the Repsol Technology Center. In this way, 32 people had the opportunity to become acquainted first hand with the company and its facilities, with the aim of arousing interest in joining the Repsol team.

Diversity

For Repsol, diversity is one of our differential traits and an essential factor for the company's success. In attracting talent, we not only focus on hiring people of different nationalities and genders, but in integrating differently-abled people.

Repsol's has an integration plan for disabled persons, which places them in job positions throughout the organization. In 2014, we upheld our commitment to training as the gateway to the labor market, whether through occupational training programs, scholarship programs, internships or access to our masters programs.

This commitment to diversity is reflected, for example, in different realms:

- 49 people joined as new hires, of which 5% were disabled people. Of these 49, 65% were men and 35% women from different countries of origin such as Brazil, Norway, Peru, Spain, the US, and Venezuela, among others.
- In 2014, we hired 1,698 people on a permanent basis at a worldwide level, of which 813 were women and 885 men. In addition, 3,379 people worked in the company on a temporary basis, including 1,544 women and 1,835 men.

Integration of new employees

Throughout 2014, we continued with our Welcome and Integration Plan by activating 925 welcome plans across the company. The aim is to facilitate and accelerate the successful integration of people joining the Repsol team and its culture. As part of the Repsolnet project, we have improved our Welcome Channel, adding audiovisual material. It is available to all employees, and reinforces awareness-raising messages transmitted in the Welcome and Integration Process.

Talent development

At Repsol, we see professional development as an essential factor for the growth of each person and of the company itself. Two milestones were reached at a worldwide level, thus enabling the company to strengthen its professional development and build the diversity of profiles and skills it needs to attain its strategic goals.

- Development Space (*Espacio de desarrollo*) is a tool for accessing all information related to a person's professional development, thus allowing him/her to take the initiative in this process. In this space, employees can update their CVs at any time, check assessments of different processes, such as performance or their people review⁷², or express development interests and identify and monitor actions to implement their Individual Development Plan.
- Lead in Values (*Liderar en Valores*) is a leadership program for managers, based on the company's cultural values. It will be useful for inspiring their teams, acting as an example and making them the first and main drivers of the company's values and culture. All Repsol managers have taken part in this program.

In the businesses and corporate areas, we have stayed one step ahead by placing the focus on covering the skills and capacity requirements contained in our strategic challenges. The following initiatives were taken in each of these areas:

- In Exploration and Production, the Strategic Skill Plan was started up. This is a master plan to ensure that the company has the people, knowledge and skills required for the implementation of its strategic plan. It involves the design or improvement of workforce plans and planning processes, attraction of talent, professional development of employees and the retention of key professionals. It includes the Employee Value Proposition and Talent Transfer Project (*Proyecto Trásvase de Talento*). The latter seeks to identify people at other organizational levels with the skills, profile and interest to make a career in Exploration and Production. This allows for defining and planning specific development and training plans to be transferred in the short or medium-term, thus generating opportunities for human talent. Throughout the year, some 38 people from other businesses and activities began to work in Exploration and Production.
- In Sales and Marketing, we have accompanied Repsol in its international growth and the opening of new markets. Hence, in the Lubricant, Asphalt and Specialised Products business, we have worked on identifying the critical positions, defining career paths and identifying the testing grounds and development actions to be implemented to successfully meet the international growth challenge. We also wish to highlight the consolidation of goal-setting processes, which seek to ensure the best suited person to the position.
- For the industrial business, we have implemented a temporary stay program that we expect to be consolidated and extended to other business and areas in a structured manner. The program is for key personnel with great potential.

In the program with inter-center mobility plans that are limited in time - no more than 12 weeks - to equivalent positions, or of similar complexity, we share best practices in the operation and management of each center, broaden internal networking, the global vision of the company, and foster and facilitate mobility.

⁷² People review is an assessment tool for people to identify their strengths, areas of improvement and professional profile.

- In the Corporate Areas, Repsol have worked on a number of projects to define criteria for the progress and career of professionals performing duties in: Procurement and Contracting; People and Organization; Legal Services and Information Systems.

In 2014, Repsol developed these projects in accordance with the needs of each function, and in alignment with Repsol's people management models and tools.

LA12: Percentage of employees receiving regular performance and career development reviews, by gender.

Our people review program is one of the main tools we have been using over recent years to assess and develop our talent and plan development actions.

People review is an assessment tool for people to identify their strengths, areas of improvement and professional profile.

The profiles of heads and technicians are reviewed every two or three years and, as part of the internal talent management process, its main objectives are:

- Learn and review in an integral and shared manner the current situation and potential of people in the different businesses/areas.
- Acquire information to take decisions on talent that are aligned with the business strategy.
- Plan and drive development actions.

In 2014, 2,426 individuals were evaluated in the course of 119 people review sessions.

Number of people assessed under the people review system			
Assessment systems	2012	2013	2014
People review	2,307	2,329	2,426

Internal mobility is a opportunity for professional development involving new functions and challenges. There were 2,881 such moves within the company in 2014, 33% of which were for women, exceeding their share of our workforce.

Internal mobility			
	2012	2013	2014
Number of moves	3,270 ⁷³	3,012 ⁷⁴	2,881
% women	33%	40%	33%

1,932 people changed their professional category in 2014. Of these changes, 35% related to women.

Change of professional category			
	2012	2013	2014
Number of people	1,996	1,941	1,932
% women	33%	31%	35%

⁷³ Data obtained for 2012 vary with respect to the CR Report of previous years because a revision of the figure was made in 2014 in accordance with current criteria.

⁷⁴ Data obtained for 2013 vary with respect to the CR Report of previous years because a revision of the figure was made in 2014 in accordance with current criteria.

At Repsol, we use two models to assess the performance of our employees: “Management by Commitments” (*Gestión por Compromisos, GxC*) [global, for employees excluded from collective bargaining agreements] and “Performance and Development Management” (*Gestión del Desempeño y Desarrollo*) [Spain, for employees covered by collective bargaining agreements], covering 63% of our employees.

The “Management by Commitments” model is designed for employees who are not covered by collective bargaining agreements and seeks to combine our organizational objectives with the professional development of our people through responsibility, recognition and development, using the objectives of the unit and the individual and their performance as tools.

Assessment of personnel covered by a collective bargaining agreement uses “Performance and Development Management”, which aims to align individual contributions with team objectives and encourage the development of talent. This model defines the responsibilities [what] and skills [how] expected of an employee based on the group to which they belong. This variable remuneration has increased in the last two years.

The number and percentage of employees assessed in 2014, by assessment model and gender, are shown in the following table.

Performance assessment in Repsol							
Assessment type		2012		2013		2014	
		Outside collective bargaining agreement	Under collective bargaining agreement	Outside collective bargaining agreement	Under collective bargaining agreement	Outside collective bargaining agreement	Under collective bargaining agreement
People subject to assessment and performance review	Women	2,697	311	2,880	1,290	3,043	1,330
	Men	5,814	263	6,011	4,395	6,275	4,770
	Total	8,511	594	8,891	5,685	9,318	6,100
Percentage of total employees		38%		60%		63%	

The increase in the number of people “outside the collective bargaining agreement” assessed is due to people moving from “agreement” to “excluded” and to new hires.

People “covered by collective bargaining agreements” must have at least two years' seniority in the company before they complete this assessment.

Diversity and equal opportunity

LA13: Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.

There were two independent female directors on the Board of Directors: Ms. Paulina Beato Blanco, member of the Audit and Control Committee and Ms. María Isabel Gabarró Miquel, member of both the Strategy, Investment and Corporate Social Responsibility Committee and the Nomination and Compensation Committee until April 30, 2014, when Ms. Paulina Beato stepped down. The Executive Committee is made up of 9 directors, two of whom are women.

People by gender and professional category												
Job category	2012				2013				2014			
	F	M	Total	% F	F	M	Total	% F	F	M	Total	% F
Executive staff	44	248	292	15	43	249	292	15	47	259	306	15
Technical managers	447	1,404	1,851	24	468	1,499	1,967	24	502	1,563	2,065	24
Technicians	3,863	7,793	11,656	33	3,984	7,792	11,776	34	4,127	7,845	11,972	34
Administrative staff	783	306	1,089	72	769	317	1,086	71	750	294	1,044	72
Operatives and juniors	2,569	6,538	9,107	28	2,593	6,500	9,093	29	2,691	6,382	9,073	30
TOTAL	7,706	16,289	23,995	32	7,857	16,357	24,214	32	8,117	16,343	24,460	33

The breakdown of employees per employee category remains similar to that seen in previous years. One per cent of the headcount is classified as management, 8% as technical managers, 49% as technicians, 5% as clerical staff and 37% as operatives.

The company has registered discrete growth, which has meant that the gender mix has held relatively constant, albeit improving slightly in some categories.

Headcount by gender and age						
Age ranges	2012		2013		2014	
	% women	% women	Women	Men	Total	% women
Under 20 years of age	58%	58%	88	81	169	52%
Between 21 and 30	42%	43%	1,503	1,981	3,484	43%
Between 31 and 40	37%	38%	3,492	5,526	9,018	39%
Between 41 and 50	30%	31%	2,087	4,361	6,448	32%
Between 51 and 60	16%	17%	889	3,963	4,852	18%
Over 60	12%	12%	58	431	489	12%

Repsol continues to proactively foster the hiring of people of differing abilities across all areas of the organization, as well as championing this cause beyond the confines of the company by involving our suppliers and subcontractors in the task of helping to integrate people of differing abilities into the workforce. Repsol has 674 differently-abled employees, 2.8% of our workforce.

Employees with different abilities in 2014	
Country	Differently-abled persons
Brazil	8
Ecuador	35
Italy	1
Peru	42
Portugal	35
Spain	541
Venezuela	12
Total	674

In Spain, the company has surpassed the requirements of the General Law on rights of persons with disabilities and their social inclusion (LGD) with 4.0%, with 613 employees hired directly and an additional 150 people hired under other systems.

Repsol's strategy is to raise awareness and actively assist the people of differing abilities it hires in order to guarantee that they become and feel integrated and settle into their new jobs.

Below are some examples of people with differing abilities hired in Spain in 2014:

- Seven people in the 2014-2015 Master's programs for new hires.
- Five people in the dual-track professional training program, which consists of a regional higher-education degree backed by education centers, companies and councillors in each autonomous region.
- Two scholarships under the MBA-Inserta program.
- Two people on work practice.
- Five scholarships for the virtual scholarship program, which runs for one year and enables students of differing abilities to apply and complement their academic backgrounds; the program is designed to foster the acquisition of skills that prepare them for working life, make them more attractive to employers, and unlock their entrepreneurial skills.

Equal remuneration for women and men

LA14: Ratio of basic salary and pay of women to men by employee category, by significant operation locations.

Repsol's remuneration system is non-discriminatory and provides equal opportunities: men and women in the same position, and with the same experience and performance are at the same salary level.

Percentage of base salary of women compared to men in 2014					
Country	Managers ⁷⁵	Technical managers	Technicians	Administrative staff	Operatives and juniors ⁷⁶
Bolivia	-	92	107	-	-
Brazil	-	92	89	-	-
Ecuador	-	74	117	-	-
Peru	-	76	56	145	-
Portugal	-	82	91	-	-
Spain	94	87	92	91	-
Trinidad and Tobago	-	60	87	-	-
Venezuela	-	84	84	-	-

There have been significant variations in the Technical Managers category compared to 2013 in some countries such as Brazil, Trinidad and Tobago and Venezuela, given their smaller populations.

⁷⁵ Does not include chief executives, executive directors or corporate directors.

⁷⁶ Not reported because some of these employees are paid by the day or hour, so that the data would be biased if this group was included.

Human rights

Investment and procurement practices

HR1: Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.

HR2: Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening and actions taken.

Response to human rights indicators HR1 and HR2

Operating partners

Whenever Repsol is the operating partner, we apply our regulations and standards. Even when we are not operator, we believe it is important that our partners uphold ethical, social and environmental standards on a par with ours, to which end we attempt to use our power of influence to encourage them to apply our management rules and systems or to at least follow principles and systems deemed equivalent to ours.

Generally speaking, Repsol uses the JOA⁷⁷ model, which has been reinforced to tighten the anti-corruption, respect for human rights, occupational health and safety and environmental protection clauses. These clauses are aligned with the company's standards which are in turn aligned with benchmark international standards.

We have built in a specific human rights clause expressly indicating that the operator must uphold internationally-recognized human rights, which means refraining from infringing them and remedying any infringement thereof. More specifically, this clause refers to the rights enshrined by the Universal Declaration of Human Rights and the principles emanating from the fundamental rights itemized in the ILO Declaration of Fundamental Principles and Rights at Work.

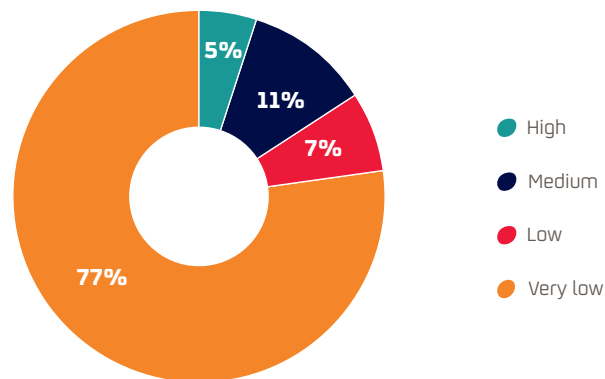
In 2014, all of the material investment agreements and contracts⁷⁸ were analyzed from a human rights perspective. In all instances, the above-mentioned clause was either included or cross-references were made to applicable human rights legislation.

Suppliers and contractors

Approximately 16% of our suppliers are significant, meaning that their criticality is defined as medium or high. In 2014, we awarded 3,611 contracts to significant suppliers, of which 1,819 were with medium-criticality suppliers and 1,792 with high-criticality suppliers. All of these awards are subject to our General Purchasing and Contracting Terms and Conditions. Therefore, all of these contracts contain human rights, environmental protection and anti-corruption clauses.

⁷⁷ Joint Operating Agreement, AIPN 2012 model form.

⁷⁸ Including agreements for the acquisition of mineral rights and the corresponding consortium agreements.

Breakdown of suppliers by level of criticality

The process used by Repsol to rate and pre-qualify its suppliers includes specific questions regarding their human rights records, enabling us to use our power of influence and prevent human rights violation risks.

We carry out human rights assessments on 100% of our major suppliers, using the information they provide when they complete the rating questionnaires. In addition, in high-criticality cases, we verify the information through on-site visits to the suppliers' facilities during the rating audit.

There is also scope for an on-site ethics and human rights audit which addresses corporate responsibility matters such as the supplier's employment practices, the mechanisms in place for preventing corruption and bribery and how they manage their supply chains and environmental footprints. If this audit reveals areas in need of reinforcement, we draw up a list of recommendations for each area requiring improvement and these are communicated to the candidate supplier as part of the inspection's outcome.

In 2014 we conducted four ethics and human rights audits at two of the company's suppliers in Peru and another two in Ecuador. The results of these audits were reported to the suppliers, along with the proposed recommendations, which are drafted to enable them to implement a corrective action plan.

In parallel, we have been working to define the criteria used to classify the results of these audits so that they translate into optimal response plans. This is the reason for the still-limited number of audits conducted in 2014.

Public and private security contractors

The company signed 17 contracts with private security forces, all of which included specific clauses requiring compliance with the rights enshrined in the Universal Declaration of Human Rights, the conduct guidelines included in the United Nations Basic Principles on the Use of Force and Firearms and the Voluntary Principles on Security and Human Rights. Of these 17 contracts, two were signed in Spain, one in Bolivia, one in Colombia, three in North Africa, one in Ecuador, seven in Peru and two in Venezuela.

In addition, the sensitivity of the work undertaken by the people tasked with keeping our facilities safe has prompted us to apply additional and potentially disqualifying criteria when selecting and rating these suppliers, such as:

- A business permit from the local authorities
- A human rights record free of significant blemishes
- Credibility within the sector
- Human capital and other resources sufficient to carrying out their operations
- Minimum ethical and social conduct requirements: contractual acceptance (by means of the abovementioned clause) that they will provide the commissioned security services in keeping with the Voluntary Principles on Security and Human Rights. In addition, in the specific case of Ecuador, a commitment to act in keeping with the company's requirements regarding relations with indigenous communities

In tendering processes, we must be able to certify that the participants have not been linked to illicit activities and present a clean record in terms of ethical behavior, meaning no claims of human rights violations, among other things.

In 2014, the company ran tenders in Spain, Bolivia, Brazil, Colombia, Ecuador, Peru and Venezuela for which only private security providers presenting clean records in this respect pre-qualified.

Repsol requires its private security providers to be trained in the main international human rights standards.

In 2014 the company also carried out supervisory checks at its private security providers in Algeria, Bolivia, Colombia, Ecuador, Libya, Mauritania, Peru, Spain, Trinidad and Tobago and Venezuela. These reviews encompass regular controls, including with respect to:

- The conduct and performance of security guards at the place of service
- Staff criminal records
- Human rights training programs

In Peru the company carried out audits to review equipment and facility safety measures and verify compliance with rules and procedures, among other aspects.

In Ecuador the company checked compliance with applicable labor legislation and regulations monthly and monitored implementation of the actions plans devised as a result of the service quality meetings and the annual supplier performance assessment exercise. Monthly meetings were also held to monitor target delivery and action plan execution.

Two private security contracts were revoked in 2014.

Commercial distributors of our products

LPG Business Unit:

Ethics and Conduct Code for Suppliers

- The distributor selection criteria in Spain require acceptance of the conduct guidelines established in the [Ethics and Conduct Code for Suppliers](#) for all agreements closed during the year.
- All contracts with distributors in Ecuador include safety and environmental clauses, and regular audits are carried out to assess these.
- All contracts with bottled gas distributors in Peru include a human rights clause in addition to regulatory compliance and environmental management clauses. We are also developing an audit process for annual checks on contract requirements.

The Lubricants, Asphalts and Specialised Products Business Unit:

- Commercial contracts in the lubricants business have included a specific human rights clause since 2013. In 2014 three new contracts were signed which will be governed by these clauses. In addition, the Ethics and Conduct Code for suppliers has been incorporated into international lubricant sales contracts and new asphalts and specialised product agency and distribution agreements; this undertaking is auditable and covers the minimum conduct required of local distributors and manufacturers on the Corporate Social Responsibility front.

Lubricant and Specialised Product carriers, meanwhile, have signed 45 contracts which include clauses committing to respect human rights and foster their protection in their own business dealings.

- Contracts were renewed in 2014 to add the human rights clause in Costa Rica, El Salvador, Panama and Uruguay, while new contracts were arranged in Colombia and Brazil which include this clause and the Ethics and Conduct Code for supplier undertaking.

Direct Sales Business Unit:

- In Spain, one new contract was signed with a Yacht Club and seven agreements were executed with commercial distributors which include the human rights protection clause.
- In Portugal, eight new contracts containing this clause were signed up.

Service stations business unit:

- In Spain all contracts signed with licensed service stations include a corporate responsibility clause that encompasses human rights protection.
- In Portugal, 41 new contracts were signed that include a Corporate Responsibility clause.

In addition, Repsol has established mechanisms for controlling and monitoring the performance of its commercial distributors, non-operated service stations and other companies it works with such as transport carriers, installers, etc. in terms of ethical conduct and/or human rights matters.

In the lubricants business, Repsol's internal audit service conducted two control and monitoring audits of lubricant manufacturing operations in Malaysia and China in 2014, evaluating these suppliers' performance with respect to human rights requirements. In addition, a Corporate Social Responsibility (CSR) audit program has been created to check compliance with the Code of Conduct appended to the organization's distribution and manufacturing contracts. This audit program will start up in 2015, with 10 CSR audits planned.

In the Chemicals business, the approval process for transport carriers includes the requirement to answer in the affirmative to all the questions on ethics and human rights contained in the approval questionnaire. The replies to these questions are verified during the audits of transport carriers, warehouses and inspection companies carried out at the customer by Repsol's Logistics and Customer Service department as part of its annual program.

In 2014, the 77 agreements with commercial distributors were maintained.

HR3: Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

At Repsol we view employee human rights training as indispensable. To this end, in 2012 the company designed an online course on Fundamental Human Rights based on the UN Guiding Principles on Business and Human Rights. The target Repsol has set itself is to have the course taken on a staggered basis by the entire workforce, starting with employees in countries at greater risk of human rights issues.

By year-end 2014, the number of people to have taken the course had reached 5,668 (total training hours: 11,388). To date, the course has been taken by 23% of the workforce, including 40% of management.

In-person training workshops on Human Rights in different countries

As part of the rollout of the Respect for Human Rights Policy, we have developed an in-person training plan for our main operating markets. The plan materialized in eight-hour workshops last year which had to be attended physically. These workshops focused on human rights impact assessments and effective grievance mechanisms in oil & gas operations.

The workshops were targeted at a broad range of employees from the various business units and corporate departments, including the exploration, operations, community relations, occupational health and safety, legal services, corporate security, HR and purchases and contracting areas.

The workshops were championed by the local CSR committees. In-person workshops were organized in **Bogotá, Guayaquil, Lima, Quito and at the La Pampilla refinery in Peru** in 2014; a total of **250 people participated**, benefiting from **1,000 training hours**.



Last year we also extended the specific human rights training initiatives targeted at staff from the **Purchasing and Contracting Departments** (22 people participated in this effort in 2014) and **new hires**.

New hires from Repsol Master's in Energy Management graduate classes of January, March and September 2014 in Madrid and Lima were required to attend an in-person 3-hour human rights training session. A total of 84 people have completed this training module (total training hours: 250).

Repsol's Chairman touches base with all employees on respect for human rights.

On January 21, 2014, Repsol's Chairman addressed the Group's more than 23,000 employees at the time in an e-mail urging them to take the Fundamentals of Human Rights course as a prerequisite to furthering the Group's responsibility to respect human rights.

Non-discrimination

HR4: Total number of incidents of discrimination and corrective actions taken. Freedom of association and collective bargaining.

At Repsol, we investigate any and all discrimination or harassment incidents which potentially affect the company's employees.

In 2014 the company investigated three cases of potential harassment in Spain; the investigations ultimately determined that harassment had not taken place. As provided in Spanish legislation, the company is unable to provide any further details on the case claims, investigations, handling or resolution for reasons of confidentiality. All of the cases were investigated following the Harassment Protocol established in the applicable collective bargaining agreements and with the assistance of the union representatives.

The Brazilian operations received one harassment claim, which is ongoing. With respect to 2013, the claim filed in Brazil is pending resolution and the claim filed in Bolivia was archived because no evidence of discrimination was detected.

Freedom of Association and Collective Bargaining

HR5: Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.

We did not detect any incidents of infringement of the right to exercise freedom of association and collective bargaining with respect to either our employees or any of our suppliers in 2014.

Child Labor

HR6: Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.

We did not identify any activities carried on by employees of Repsol or our suppliers presenting risk for incidents of child labor in 2014.

Forced and compulsory labor

HR7: Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.

We did not identify any activities carried on by employees of Repsol or our suppliers presenting risk for incidents of forced or compulsory labor in 2014.

Security Practices

HR8: Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

Protection of critical facilities, such as energy installations, requires the professional assistance of private and public security forces, the latter requirement being imposed by the sovereign governments of the countries in which we operate. The strategic importance of these infrastructures, vital parts of national infrastructure, can be vulnerable to the risk of terrorism or other armed conflict.

Voluntary Principles on Security and Human Rights

Repsol views the provision of human rights training to security staff as crucial to delivery of its pledge to protect the human rights of the people affected by its operations. This unwavering commitment prompted us to officially join the [Voluntary Principles on Security and Human Rights](#) for extractive companies in March 2014.

The main training initiatives undertaken in 2014 are described in the next table:

Country	Main training initiatives
Algeria	All external staff working in corporate security received training on the company's human rights protection policies.
Bolivia	100% of external security staff received human rights training. In addition, the operations corporate security coordinators gave monthly induction talks on the firm's corporate security and human rights protection policies, stressing the rights of indigenous peoples.
Colombia	All security personnel were made aware of the company's human rights commitments. In addition, the people assigned by the security provider to Repsol received training on human rights impact assessments and effective grievance mechanisms.

Country	Main training initiatives
Ecuador	All external security staff received training on respecting human rights. A talk was also given on the Voluntary Principles on Security and Human Rights.
Libya	All external staff working in corporate security received training on the company's human rights protection policies.
Mauritania	All external staff working in corporate security received training on the company's human rights protection policies.
Morocco	All external staff working in corporate security received training on the company's human rights protection policies.
Peru	100% of external security staff received human rights training. Newsletters outlining Repsol's rules and regulations were also distributed to the members of the private and public security service providers working at our facilities.
Spain	Outsourced security staff working at the Corporate Security Department's facilities received human rights training.
United States	The private security contractors received a human rights training course.
Venezuela	Corporate security staff attended a briefing session on human rights.

Indigenous rights

HR9: Total number of incidents of violations involving rights of indigenous people and actions taken.

In 2014, it has not been identified any incidents related to infringements of indigenous peoples rights.

OG9: Operations where indigenous communities are present or affected by activities and where specific engagement strategies are in place.

A list of the indigenous communities affected by Repsol's activities in 2014 can be found in indicator 4.16 of this report.

Assessments

HR10: Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.

In 2014 we carried out 24 environmental, social and health impact assessments in connection with exploration and production projects in 12 different countries: Aruba, Australia, Bolivia, Colombia, Indonesia, Iraq, Libya, Mauritania, Norway, Peru, Spain and Trinidad and Tobago.

All of the impact assessments conducted in 2014 addressed human rights issues. The scope of these assessments reflected the local context and the nature of each operation.⁷⁹

⁷⁹ Impact assessments take place at the preliminary stage of the various projects, which is why it is important to note that the pace of activity in a given year and the life cycle stage of the projects vary from one year to the next. For this reason it is not meaningful or useful to express the percentage of operations that have been subject to reviews and assessments.

The main impacts identified in 2014 relate to the positive and negative effects of exploration work in onshore and offshore environments. In 2014 impact assessments were carried out in seven different onshore environments: the main impacts identified relate to the effects of the exploration activities and associated infrastructure on the fishing industry (fishing routes and local fishing grounds) and on the tourist industry. The associated mitigation measures include the optimization of access routes, engagement with the affected parties and the establishment of compensation agreements.

In 2014 we developed an in-house manual for helping the team which carries out the impact assessments to integrate human rights aspects into the process. The process of drafting the manual built from the learning process implied by pilot projects carried out in 2013 at several operations involving joint local and corporate teams. The manual was also informed by the experience and considerations shared by the people attending the in-person training workshops carried out in 2014 on how to conduct human rights impact assessments.⁸⁰

Manual for performing human rights impact assessments for Repsol projects and assets

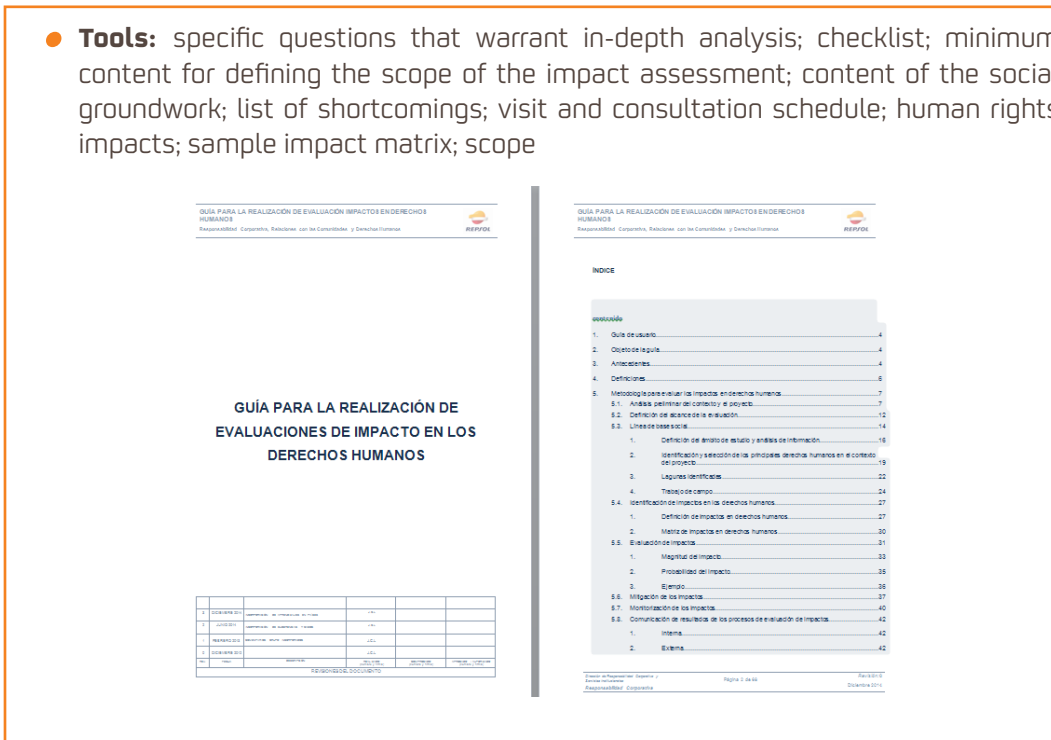
This guide was developed in 2014 and takes a hands-on approach. It is targeted at everyone from Repsol's various business units in its different markets who have to perform these assessments.

Some of the manual's noteworthy content is summarized here:

- **Human rights impact assessment methodology**
 - Preliminary project and context analysis
 - Definition of the scope of the assessment
 - Social groundwork: definition of the scope of the study and analysis of the information; identification and selection of the main human rights relevant to the project context; shortcomings identified; field work
 - Identification of the human rights impacts: definition of the human rights impacts; matrix of human rights impacts; impact assessment (magnitude of the impact; probability of the impact; examples)
 - Mitigation of the impacts
 - Monitoring of the impacts
 - Reporting the results of the impact assessment process
- **Tracking mitigation and monitoring actions**
- **Coordinating the working team and integrated or independent human rights impact assessment decision**

⁸⁰ For more information in these workshops, see the response to indicator HR3

- **Tools:** specific questions that warrant in-depth analysis; checklist; minimum content for defining the scope of the impact assessment; content of the social groundwork; list of shortcomings; visit and consultation schedule; human rights impacts; sample impact matrix; scope



In addition, 27 studies were undertaken in nine countries in 2014 to evaluate safety risks; these studies contemplated the potential human rights fallout from relations with public and private security forces.

Remediation

HR11: Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.

At Repsol we have several channels which our stakeholders can use to report or process grievances with respect to any aspect of our operations.

To this end, the company has set up global communication channels for its stakeholders which can be accessed online from anywhere in the world. These include:

- The Ethics Committee communication channel⁸¹.
- The Audit and Control Committee communication channel.
- Repsol te escucha Channel.

⁸¹ For the number of notices received via this channel, see the response to indicator S04

The company also has local communication and grievance channels, which our local stakeholders can use to express their concerns and complaints about our operations, including any human rights related concerns. The local mechanisms are tailored to the local environment and each operation's specific context.

Repsol has local communication channels of this nature in 13 countries: Angola, Algeria, Bolivia, Brazil, Colombia, Ecuador, Iraq, Morocco, Peru, Russia, Spain, Trinidad and Tobago and US.

The detailed assessment being performed by the complaints and claims⁸² Complaints and Grievances Working Group (GAR) set up within the global Corporate Social Responsibility Committee has pinpointed 62 external and internal communication channels which at some point in time have received some form of communication or notification related to human rights issues⁸³. Of these, 16 are company-wide communication channels and the remainder are local channels.

Launch of effective grievance mechanisms at the operations level to provide access to remediation

As part of its overriding pledge to upholding human rights, Repsol has committed, within the realm of its human rights due diligence efforts, to establishing effective communication and grievance mechanisms at the operations level; the mechanisms are put in place as soon as operations begin and as early as possible within the project planning process so that the people directly affected by its operations can inform Repsol of any situation with a potential human rights impact. The goal is to proactively identify the concerns of potential affected parties.

Grievance mechanisms for the local community are in place for the majority of Repsol's operations, as part of our system of ongoing communication with communities affected by a project throughout its life cycle. Operations grievance mechanisms must be designed under the principle of informed participation and be efficient, i.e., legitimate, accessible, predictable, equitable, transparent, compatible with human rights, and based on dialogue, and provide a source of continuous learning for the company.

We believe that the rollout of efficient grievance mechanisms in our operations contributes to the early identification of concerns and complaints in the local environment (mostly generated by operational impacts) and facilitates swift intervention and resolution, thereby preventing human rights impacts or conflicts.

Repsol is deploying a series of projects at the local level in a bid to check the effectiveness of the local community grievance mechanisms in place in its various operations⁸⁴.

⁸² For more information on the Network Action Groups and their remit, see indicator 4.17

⁸³ Notifications related to one or more of the following issues: equal opportunities/non-discrimination; harassment; bullying; abuse of authority, offensive or hostile behavior; safety in the workplace; other human rights issues.

⁸⁴ Some of these projects have been committed to publicly under the umbrella of Repsol's sustainability plans; further information on these projects is available at www.repsol.com

 Society**Local communities**

SO1: Percentage of operations with implemented local community engagement, impact assessments, and development programs.

Main operations

Our most significant facilities are those associated with established productive operations. We have cemented relationships with the local communities surrounding these facilities, with whom we share our long-term objectives of economic growth, social development and environmental protection. These operations are mainly those performed at our oil and gas development and production facilities and our refining and chemicals industrial facilities.

We are currently involved in oil and gas exploration and production activities in 25 countries. Our most significant operating assets are located in Algeria, Bolivia, Brazil, Ecuador, Mexico, Peru, Spain, Trinidad and Tobago and Venezuela.

We also have major exploration assets in Algeria, Angola, Australia, Brazil, Guyana, Indonesia, Iraq, Liberia, Libya, Morocco, Mauritania, Namibia, Norway, Portugal, Spain and Tunisia, the Russian Federation and the United States. In certain instances, local social and environmental sensitivities mean that our presence can have a significant impact; for example, when there are indigenous communities in our direct or indirect area of influence, as is the case with some of our facilities in Bolivia, Colombia, Ecuador, Peru, the United States and Venezuela.

Production activity in the Downstream area is mainly concentrated in our chemical and industrial facilities in Canada, Peru, Portugal and Spain. Repsol has five industrial facilities in Spain (refining: A Coruña, Cartagena and Petronor; and refining and petrochemicals: Puertollano and Tarragona, one in Peru (La Pampilla) and one in Canada (Canaport). The company has four major chemical facilities: three in Spain, Dynasol (Gajano, Cantabria), Polidux (Monzón, Huesca) and General Química (Latarón, Álava); and one in Portugal (Sines).

Our Regulation for Environmental, Social and Health Impact Assessment establishes basic guidelines for assessing all impacts generated by company activities. We aim to ensure that all potential environmental, human rights and health impacts are identified as early as possible in the project life cycle, and are taken into account in its planning so as to prevent and mitigate such effects. The regulation takes a preventive approach to potential impacts on people and the environment and addresses both new projects and existing ones that are subject to substantial modifications.

See the information disclosed as part of the responses provided to indicators 4.16; EC8, EC9, HR10 and OG9.

S09: Operations with significant potential or actual negative impacts on local communities.

S010: Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.

Response to human rights indicators S09 and S010

Exploration and Production	Potential impacts identified	Measures taken by Repsol to prevent and mitigate potential adverse impacts and accentuate positive ones
Onshore	Potential health effects on the people living locally as a result of the inhalation of gases associated with exploration activities	Temporary re-location of people during the exploration work
	Temporary use of land to carry out the exploration work	Establishment of a compensation agreement for the temporary use of the land (in keeping with local legislation, as applicable)
	Hiring of local manpower to carry out the exploration work	Open and ongoing two-way dialogue with the communities

Exploration and Production	Potential impacts identified	Measures taken by Repsol to prevent and mitigate potential adverse impacts and accentuate positive ones
Offshore	Disruption in fishing routes to accommodate the presence of boats and other equipment related to oil and gas operations	Optimization of facility access routes Establishment of a compensation agreement (in keeping with local legislation, as applicable)
	Drop in fishing sector revenue due to the installation of equipment and facilities for offshore exploration purposes	Establishment of a compensation agreement (in keeping with local legislation, as applicable)
	Potential impact on the economic activity generated by tourism	Open and ongoing dialogue with communities to identify their needs and development of action plans to meet these
	Hiring of local manpower to carry out the exploration work	Open and ongoing two-way dialogue with the communities

Industrial facilities⁸⁵

Potential impacts	Measures taken by Repsol to mitigate potential impacts
Contribute to the social and economic development of neighboring settlements, through direct and indirect job creation, tax payments and collaboration agreements with municipalities and other local authorities to sponsor cultural events and social investment.	Odors, noise and emissions into the atmosphere; and to a lesser extent fumes, discharges, the movements of heavy goods vehicles and light pollution.
	Comprehensive management of environmental risks, installation of early warning systems for spills and other potential environmental risks; Social, health and environmental impact assessments for our operations; Awareness-raising activities and training programs for our plant managers; Optimization of vehicle, river and road traffic. Control of use of access routes; Open and ongoing dialogue with communities to identify their needs and development of action plans to meet these; Optimization of facility access routes; Accessible communication channels for all our stakeholders, which allow us to receive and handle complaints, grievances and requests for information 24 hours a day.

⁸⁵ Mainly located in industrialized areas, close to urban centers.

OG10: Number and description of significant disputes with local communities and indigenous people.

We provide accessible communication channels for all our stakeholders, which allow us to receive and deal with complaints, grievances, suggestions and requests for information at any time.

No significant disputes with local communities or indigenous peoples in the area of influence of our operations were identified in 2014 other than the two cases detailed below.

Research project, Canary Islands, Spain

Research project, Canary Islands, Spain

With the goal of resolving all issues arising as a result of Repsol's research project in the Canary Islands and with a firm commitment to engaging in transparent and ongoing dialogue regarding the development of our activities, we set up a dedicated section within the website: "[Research project, Canary Islands](#)".

The website provides relevant information about the project such as its scope, the security standards upheld, the technology used, the benefits for the local community and Spain as well as project FAQs.

Project Camisea, Peru

Repsol has held a 10% interest in the Camisea Consortium since 2005. It is not the block operator. The Camisea Consortium, comprising six members, has complied with all the steps required by the government in order to obtain its environmental permits.

In November 2012, the Consortium's operator presented to the Ministry of Energy and Mines, an Environmental Impact Assessment (EIA) for the project for expanding the exploration and development program at Lot 88. Aware of the sensitivities in this location, an early action process was put in place with the stakeholders which was executed by the operating partner.

Moreover, there is an Anthropological Contingency Plan in place, which has been designed to preserve the current ways of life and culture of the affected populations. This plan outlines a series of preventative measures intended to prevent unwanted contact with the populations living in voluntary isolation and provides information on what to do in the event of unwanted contact with these indigenous peoples. The Anthropological Contingency Plan is part of the aforementioned EIA and was approved by the Deputy Minister of Multiculturalism of the Ministry of Culture.

Repsol is in permanent contact with the operating partner in its capacity as non-block operator and minority partner in the Consortium. It has also shared its corporate responsibility standards as part of its due diligence efforts.

As far as Repsol is aware no legal proceedings have been filed by any indigenous group in opposition to its oil and gas activities.

Policy on Relations with Indigenous Communities

Repsol is committed to respecting and observing the rights of indigenous peoples, as reflected in our [Policy on Relations with Indigenous Communities](#) and the associated Regulation for Action in Relations with Indigenous Communities. In the case of Block 88, as with other assets where Repsol is not operator, the company has made its policies, knowledge and implementation techniques available although it does not have management control in these operations.

About block 88:

- Block 88 is located in the Lower Urubamba Basin in the district of Echarate, in the province of La Convención, Cusco, Peru.
- The area was declared a Regional Reserve in 1990 and a decree passed in 2003 enhanced its legal protection. Oil and gas operations pre-dating this declaration are still permitted, albeit subject to special local community protection measures. The Peruvian Ministry for Culture is the institution tasked with ensuring and inspecting compliance with these measures.
- The Camisea Consortium owns the mining rights and operations are carried out by one of its partners.
- The Peruvian Ministry for Energy and Mining approved the EIA when it issued Executive Resolution 035- 2014 on January 27, 2014.

OG11: Number of sites that have been decommissioned and sites that are in the process of being decommissioned.

At the end of the useful life of an oil and gas operation, or if required for any other region, we draw up a decommissioning plan to ensure that all necessary measures are taken to minimize the environmental, social and economic impact that decommissioning may have on the local environment and surroundings. We also collaborate with the relevant authorities to transfer the relevant responsibilities once the company is no longer present in the area.

In 2014 we decommissioned nine facilities in Iraq, Libya, Mauritania, Namibia and Peru. We are also in the process of decommissioning an LPG plant in Ecuador.

Country	Actions carried out
Ecuador	The Abandonment Plan for the EL Salitral plant in Guayaquil is in the process of being executed. Around 75% of the plant's bottling operations are being carried out at another facility; the dismantling of this industrial facility is perceived as a positive development by the community. The communication plan is ready for rollout as soon as the plant has been fully abandoned.
Iraq	All drilling equipment has been removed from the Qala Dze block, in the Kurdistan region of Iraq, and the land has been returned to its owners, in keeping with the agreed restoration conditions. Elsewhere, work at the Primagrün block within the Zewe 1 project has been halted at the request of the Iraqi Natural Resources Ministry.
Libya	Three wells have been closed. The Sanam A1-130/03, Agrub B1-130/03 and Wedan B1-130/03 exploration wells have been dismantled and the sites restored to their original condition by means of specific environmental and social plans in keeping with Repsol's Environmental Performance Practices (EPP). Activity began at all of these wells in May 2013 and was completed and decommissioned between January and July 2014. The Khaima B1-129/04 exploration well has not been dismantled as the exploration business unit wants to further analyze reserves in the area of interest.
Mauritania	Block TA10 was closed in December 2014.
Namibia	The Welwitshia-1 well, pipelines, the Walvis Bay offices and warehouses were all closed. The rig was also dismantled. The improvements made to the Terrace Bay aerodrome (including the heliport and hangar) have been donated to the Ministry of the Environment and Tourism.
Peru	Blocks 57 and 39 were dismantled: At block 57 the fly camps set up for the 2D and 3D seismic mapping have been closed. Six native communities within the area of influence have been compensated for the environmental impact, as were individual land owners for crop damage. Inspections were carried out of the site and the closures signed off on with the communities. At block 39, the Arica Logistics Base was closed, work which involved local manpower, with local monitors verifying that the closure conditions were duly met.

Corruption

SO2: Percentage and total number of business units analyzed for risks related to corruption.

Repsol has implemented mechanisms for the prevention, detection and investigation of corruption. Different company divisions evaluate the effectiveness of the company's internal control systems and monitor its internal control over financial reporting (ICFR) and crime prevention models.

In addition, the firm's due diligence processes include the assessment and management of the risks that could arise from transactions carried out by Repsol that entail asset acquisitions or exchanges, mergers, alliances or the formation of joint ventures.

It is important to note that these processes involve different areas of the company. The Audit and Control Department, at the request of the business units or the company's legal services, contributes to audits before assets are acquired.

Repsol's Control and Audit Department checks compliance with several aspects related to project compliance with the Ethics and Conduct Regulation. More specifically, the scope of these reviews includes issues such as:

- Correct use and protection of company assets;
- Potential conflicts of interest;
- Transparency and confidentiality of information;
- Relations with customers, suppliers, contractors and partners;
- Protection of personal data;
- Compliance with internal regulations, and legal and financial registers.

In 2014, issues relating to the Ethics and Conduct Regulation were revised in 43 audit projects.

This area has also designed a series of indicators in order to generate alerts for potential incidents of fraud or other irregularities. Some 35% of the indicators monitored by this unit are fraud-orientated. At year-end 2014, these indicators were implemented at 31 Repsol Group companies.

The crime prevention model's (*MPD-Modelo de Prevención de Delitos*) overriding purpose is to prevent or, as warranted, unearth criminal conduct on the part of the directors and employees of the Group's Spanish companies, branches, sales offices and permanent establishments. These include 60 companies directly controlled by Repsol and three that are under joint control, with the methodological support of the Repsol Foundation. Further, the crime prevention model is being rolled out gradually in the different countries where Repsol operates, prioritizing compliance with local regulations.

The company managers identified as 'control owners' are responsible for identifying and assessing the criminal risks posed by their activities and for the controls in place for mitigating these risks. The control owners also certify annually that they remain in effect, valid and are working as intended. The crime prevention model has more than 1,573 controls that are assessed yearly.

The Audit and Control Corporate Division evaluates the reasonableness and sufficiency of the design and functionality of our internal control and risk (ICFR) management systems. This model, comprising 1,065 controls, is updated, reviewed and certified annually, by both the company's management and an external auditor. Results are reported to the Repsol Group's governing bodies. The development and operation of this model are described in detail in section F of Repsol's Corporate Governance Report.

In Exploration and Production activities, whenever Repsol is the operating partner, we apply our regulations and standards. Even when we are not operator, we believe it is crucial that our partners uphold ethical, social and environmental standards on a par with ours, to which end we attempt to use our power of influence to encourage them to apply our management rules and systems or to at least follow principles and systems deemed equivalent to ours.

Generally speaking, Repsol uses the JOA⁸⁶ model, which has been reinforced to tighten the anti-corruption, respect for human rights, occupational health and safety and environmental protection clauses.

Ethics and Conduct Code for Suppliers

Repsol includes specific questions to verify that its suppliers and contractors have zero-tolerance policies when it comes to corruption in its supplier rating and audit processes. In addition, the [Ethics and Conduct Code for Suppliers](#) describes the conduct expected by Repsol of its suppliers and contractors in preventing and fighting corruption.

The contracts the company signs with its counterparties include anti-corruption clauses.

In 2014, the Lubricants, Asphalts and Specialised Products Business Unit signed 45 new contracts which incorporated the anti-corruption clause. In addition, the Ethic and Conduct Code has been incorporated into international lubricant sales contracts and new asphalts and Specialised product agency and distribution agreements; this undertaking is auditable and covers the minimum conduct required of local distributors and manufacturers on the anti-corruption front. In addition, the anti-corruption clause was added to all of the contracts renewed in 2014.

S03: Percentage of employees trained in organization's anti-corruption policies and procedures.

Repsol's anti-corruption policy outlines the principles and undertakings that must guide the actions of Repsol and all of its employees in the fight against corruption. Moreover, the Ethics and Conduct Regulation contains an extensive section devoted to conduct guidelines on aspects related to fraud, transparency and the fight against corruption:

- Conflicts of interest
- Use and safe-guarding of assets
- Information reliability and risk controls
- Reserved and confidential information
- Gifts, presents and favors
- Anti-corruption measures

⁸⁶ Joint Operating Agreement, AIPN 2012 model form.

- Money laundering and payment irregularities
- Political neutrality
- Unbiased supplier selection processes

All employees joining Repsol are required to read and sign the Ethics and Conduct Regulation.

There is also an online training course on the Ethics and Conduct Regulation; it is available in several languages and is compulsory for all employees since it was developed in 2013. The goal of the training course is to make employees more familiar with the standard by showcasing various situations in which the principles and guidelines enshrined in the Ethics and Conduct Regulation could come into play, all with a view to bolstering decision-making articulated around Repsol's business values.

At year-end 2014, 1,328 employees had taken the course, compared to just 80 at the end of 2013, one month after its publication. The goal is to have the entire workforce take the course in the years to come.

In 2014 the company continued to offer additional training on issues related to corruption among specific groups of employees:

- Specific anti-corruption training was provided to the corporate finance department staff in November
- Specific training was provided to all security staff in Peru on the Manual for the Prevention of Money Laundering and Terrorism Financing
- There is a specific in-person module on the Ethics and Conduct Regulation which is compulsory for all students enrolled in Repsol's Master's in Energy Management
- In parallel and leveraging Repsol's internal communication channels, a series of communication campaigns were carried out to emphasize employees' obligation to report any perceived breaches of the ethics code and publicize the channels available for doing so

S04: Actions taken in response to incidents of corruption.

Sanctions for non-compliance with the Ethics and Conduct Regulation

Since it was created in 2006 to December 31, 2014, the Ethics Committee had received 100 communications either directly or indirectly related to our Ethics and Conduct Regulation. At December 31, 2014, there were no communications that had not been resolved.

In 2014, there were a total of 205 serious or very serious reprimands related to Ethics and Conduct Regulation violations. However, none was related to corrupt behavior. One hundred and ninety-two of these involved the employee being suspended from work and pay. The reasons for the sanctions included incidents of vandalism, security breaches and unethical conduct towards customers.

In 2014, 64 people were laid off for breaching the Ethics and Conduct Regulation. The reasons for the layoffs included incidents of vandalism and security breaches.

Public policy

S05: Public policy positions and participation in public policy development and lobbying.

We take part in discussions regarding the development of public policy because on occasion we are called on for advice and in other cases we can give valuable information to legislators about the impact of new regulations for our stakeholders.

Our lobbying is based on our values, which include integrity and transparency, and we try to defend the interests we share with our stakeholders and with society at large.

Transparency Register
US Lobby Disclosure

The company is registered in the European Union's [Transparency Register](#) and is also a registrant of the equivalent [US Lobby Disclosure](#) register. The information that Repsol provides to both of these registers goes on public record and is accessible on these agencies' websites.

EU Transparency Register:

As a registrant, the following information is reported:

- Associations and networks:
 - The most important sector associations of which Repsol is member are the following: Fuels Europe, European Chemical Industry Council (CEFIC), PlasticEurope, Oil and Gas Producers Association (OGP Europe), International Emissions Trading Association (IETA), European Committee for Standardization (CEN), European Diisoyanate & Polyol Producers Association (ISOPA), European Captive Insurance and REinsurance Owners' Association (ECIROA), European association of flexible polyurethane foam blocks manufacturers (EUROPUR), Styrene Producers Association (SPA), Ethics and Public Policy Center (EPPC), PetroChemicals Europe (APPE).
 - We are also members of the following business associations: European Round Table of Industrialists (ERT), Center for European Policies Studies (CEPS), American European Community Association (AECA), International Energy Agency (IEA), Sustainable Process Industry through Resource and Energy Efficiency (SPIRE).
- Economic data:

The costs linked to direct representation before European institutions in 2014 are estimated at around €300,000. This figure includes costs associated with travel, meetings, direct correspondence and the participation of our employees in drafting documents and in taskforces for different associations and think tanks.

We consider both the cost of employees' time and the business trips made. We do not include association membership fees on the understanding that these are declared by the different associations. Additionally, funding was received from EU institutions for the amount of €771,890, of which €332,160 was earmarked to technology development projects and €439,730 to the LNG project.

US Lobby Register:

Repsol did not carry out any direct lobbying activities in the US in 2014.

Both Repsol and our employees who undertake lobbying activities on our behalf have declared that they did not made any payments to US public employees.

S06: Total value of financial and in-kind contributions to political parties, politicians and related institutions, by country.

Repsol declares its political neutrality and states in its Ethic and Conduct Regulation that it does not directly or indirectly, political parties or their representatives or candidates, either in Spain or abroad. Our relations with authorities, regulatory bodies and public administrations are conducted on the principle of cooperation and transparency.

Anti-competitive behavior**S07: Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.**

Litigation due to allegations of anticompetitive behavior (Number of cases initiated)		
2012	2013	2014
0	2	2

In 2014 two disciplinary investigations were initiated by anti-trust authorities, one by the Spanish authority (CNMC) and the other by its Peruvian counterpart (INDECOPI). The resolutions issued by the CNMC in connection with proceedings initiated in 2013 and 2014 have been formally appealed against by the company.

In order to foster growing awareness and stay permanently abreast of anti-trust legislative developments, the company continued to provide subject-specific training throughout 2014.

Compliance**S08: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.**

Information on this indicator is reported in Repsol's 2014 Consolidated Annual Financial Statements, Note 29

Involuntary resettlements

OG12: Operations where involuntary resettlement took place, the number of households resettled in each and how their livelihoods were affected in the process.

None of the Repsol Group's operations involved involuntary resettlements in 2014.

Friendly resettlement agreements were reached with 14 families from the Kani Shinka population at the QalaDze / Binari Sirwan operations in the Iraqi Kurdistan region due to the potential impact on the health of these 150 people. The families received compensation for the inconvenience caused.

Asset integrity and process safety

OG13: Number of process safety events, by business activity.

Repsol's approach is based on a strict management system for the risks associated with the processes and industrial assets where safety is a basic requirement.

Risks are assessed throughout the assets' life cycles, applying the best international standards in their design and strict maintenance and operating procedures, aimed to prevent incidents affecting the industrial processes involved.

Process safety allows Repsol to respond to the main challenges facing the company in the area of safety. It allows each risk to be managed, even those risks which are less likely to materialize but can have serious consequences for people, the environment, facilities or the company's reputation.

Repsol continues to operate in accordance with the conditions established by the OGP⁸⁷, API⁸⁸ and CCPS⁸⁹ (international benchmarks in this area). Also, in 2014 work was carried out to define the company's baseline for this type of accident.

The following table shows the number of accidents relating to process safety⁹⁰ by activity:

	Refining	Chemicals	Exploration and Production	Commercial and LPG	Gas&Power	TOTAL
Tier 1	7	2	0	1	0	10
Tier 2	22	15	11	0	0	48

⁸⁷ The International Association of Oil & Gas Producers

⁸⁸ American Petroleum Institute

⁸⁹ Center for Chemical Process Safety

⁹⁰ Accident with primary spill for which the following criteria must co-exist:

- A chemical product or process must be involved
- It must take place at a specific location, i.e. the incident takes place at a production, distribution, or storage facility, at an auxiliary services facility (utilities) or pilot plant associated with the chemical product involved. This includes tanks, auxiliary support areas (e.g. boilers, water treatment plants), and the facility's pipe distribution network. It must comply with drilling operations location criteria.
- It results in an unplanned or uncontrolled release of material, including non-toxic and non-flammable materials (e.g. steam, hot water, nitrogen, compressed CO₂ or compressed air) with specific consequence levels.

The process safety accident will be classified as Tier 1 or Tier 2 according to the defined thresholds.

Product Responsibility

Customer health and safety

PR1: Life-cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

PR2: Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.

Response to indicators PR1 and PR2

We work to ensure current customer health and safety legislation is respected throughout all stages of the life-cycle of our products. This involves analyzing the nature of the raw materials, the final products and the possible risks of the products that we market, considering the whole product life cycle, from initial concept development through research and development, certification, manufacturing and production, storage, distribution, promotion and sale, to use, disposal and recycling.

No significant incidents of non-compliance with regulations or voluntary codes concerning health and safety impacts of our products and services have been identified during their life cycle.

Product and service labeling

PR3: Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.

All of our products comply with European Union regulations on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)⁹¹ and with the CLP Regulation⁹² on the Classification, Labeling and Packaging of substances and mixtures. Our information and labeling procedures include information on the source of product components, content of substances that might have environmental or health impacts, information on safe product usage and instructions for safe disposal.

PR4: Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.

No incident of non-compliance with established regulations or voluntary codes has been identified.

PR5: Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

Repsol has a very wide range of customers, ranging from large companies, organizations and institutions down to small and medium-sized enterprises and households. We meet their needs by producing and marketing a wide variety of products and services for the road and home, for the manufacturing, agriculture, marine, and aviation industries, these include fuel, lubricants, and liquefied petroleum gas (LPG) and chemical products, among others⁹³.

Repsol tracks its customers' experience with its products and services in order to assess their overall satisfaction, how they perceive our quality and brand loyalty.

To do this the company has designed specific, standardized methodology in the form of customer surveys which paint a comprehensive picture of the service. This process entails across-the-board analysis of the various indicators (general satisfaction, perceived quality, loyalty and recommendation indices and their performance over time and determines the specific steps to be taken for the various products and services.

These customer satisfaction surveys are carried out periodically and take into account the improvement initiatives and corrective measures defined and implemented by the different business areas as a result of the outcome of these surveys, over both the short and medium term.

The satisfaction surveys for service stations and bottled LPG customers in Spain were upgraded in 2013:

- Service stations: the new surveys assess the customer's refuelling experience during the past week, whereas the old surveys assessed service in respect of the customer's usual brand.
- Bottled LPG: the survey assesses the inspection performed during the last month rather than the last year for customers who have had their gas installations inspected, sampling information at different times of the year.

The various customer satisfaction surveys use different methodologies. In Spain and Portugal, the Global Satisfaction (S.G.) by product and customer group. Customers are asked at the start of the survey to directly rate their satisfaction on a semantic scale from 1 to 5 (5 being very satisfied and 1 being very unsatisfied). This also marks a departure from former surveys in which we reported Customer Satisfaction Index (CSI), an indirect indicator calculated on the basis of the average scores for all aspects of the service experience. These improvements have yielded small changes in the resulting measurements with respect to the scores reported in prior years.

In Ecuador and Peru the surveys use other measurement indices based on percentage scales (each of which is explained in the corresponding tables).

⁹¹ REACH Regulation: Registration, Evaluation, Authorisation and Restriction of Chemicals

⁹² CLP Regulation: Classification, Labelling and Packaging

⁹³ For detailed information about all the products and services sold by the Repsol Group and its geographic markets, please go to www.repsol.com

The tables below provide the results of the customer satisfaction surveys broken down by country and methodology used, and by business area.

Global Satisfaction - Spain:

Global Satisfaction (S.G.) - Service Station customers, Spain			
Customer group	2012	2013	2014
Regular refuellers	N/A	4.33	N/A

The methodology used in Spain to track service at the company's filling stations is based on the e3 program (the 3 e's standing for excellent, enterprising stations in Spanish).

The e3 program:

For more information on the [e3 program](http://www.repsol.com), go to www.repsol.com

Global Satisfaction (S.G.) - Direct Sales customers, Spain⁹⁴			
Customer group	2012	2013	2014
Direct customers (large accounts)			
Centralized customers	N/A	4.4	N/A
Sales office customers	4.31	4.30	4.41
Other customers			
Distributor customers	4.52	N/A	4.61
Subsidiary customers	4.51	N/A	4.59

Global Satisfaction (S.G.) - Lubricant, Asphalt and Specialised Product customers, Spain			
Customer group	2012	2013	2014
Large customers			
Lubricants	4.39	4.32	4.20
Asphalts	4.31	4.38	4.26
Specialised products	4.53	4.31	4.29

⁹⁴ Products sold by Direct Sales distributors are: gasoils A, B and C, gasoline, petroleum coke and fuel.

Global Satisfaction (S.G.) - LPG customers, Spain				
Customer group	2012	2013	2014	
Bottled LPG customers (UD125 and UD110)				
Households	4.39	N/A	4.41	
Bottled LPG customers (UI350 bottle) - Industrial container (35 kg)				
Households	N/A	N/A	4.33	
Companies	N/A	N/A	4.4	
Users utilizing the official service – Inspection of gas installations				
Households	N/A	4.34	4.33	
Companies	N/A	4.39	4.37	
Piped LPG customers				
Personalized Multi-home Plan (PMP) -Households	4.2	N/A	4.23	
Towns	4.18	N/A	4.14	
Bulk LPG customers				
Companies	4.22	N/A	N/A	
Households (personalized plan)	3.94	N/A	N/A	
AutoGas customers- use of LPG as vehicle fuel				
Retail customers	N/A	N/A	4.26	
Professional customers	N/A	N/A	4.18	

Global Satisfaction - Portugal

Global Satisfaction (S.G.) - Direct Sales customers, Portugal				
Customer group	2012	2013	2014	
Direct sales customers	4.34	N/A	N/A	
Distributor customers	4.66	N/A	N/A	

Global Satisfaction - Other countries

Global Satisfaction (S.G.) - Lubricant, Asphalt and Specialised Product customers, International				
Customer group	2012	2013	2014	
International customers				
Lubricants	3.73	N/A	3.97	
Specialised products	4.14	N/A	4.38	

Satisfaction surveys - Ecuador

LPG customer satisfaction survey in Ecuador⁹⁵				
Customer group	2012	2013	2014	
Bulk LPG	98.90%	99%	95%	
Bottled LPG	90%	97%	88%	

⁹⁵ The results of the satisfaction surveys carried out for LPG users in Ecuador are reported on a percentage scale.

The customer satisfaction survey carried out in Ecuador in 2014 was targeted at industrial customers, commercial customers and the household segment.

Customer satisfaction surveys - Peru

Satisfaction survey - Service-Station customers, Peru			
Customer group	2012	2013	2014
Regular refuellers ⁹⁶	87%	85%	85.37%

In Peru the customer satisfaction assessment system consists of sending 'mystery buyers' to the service stations who then rate their experiences.

LPG customer satisfaction survey in Peru ⁹⁷			
Customer group	2012	2013	2014
Bulk LPG	76%	N/A	N/A

Customer satisfaction surveys were not conducted in Peru in 2014; they are scheduled for 2015. Additionally, customer satisfaction surveys are carried out for the Chemicals business. The results of these are shown in the following table:

Customer satisfaction survey - Chemicals ⁹⁸		
2012	2013	2014
88.97%	85.71%	86.2%

Visit repsol.com for all information related to [services and customer care channels](#) for all company products and services in all geographical areas.

Marketing Communications

PR6: Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.

As well as complying with the law, Repsol supports voluntary codes that establish guidelines for self-regulation and criteria for responsibility for our commercial and advertising communications.

Asociación
Española de
Anunciantes
Autocontrol

Repsol is a member of the [Asociación Española de Anunciantes](#) (Spanish Advertisers' Association) and [Autocontrol](#) (the Self-Regulation Association for Marketing Communications). Therefore, it is committed to respecting the Code of conduct of the Spanish advertising industry and the Autocontrol Code of Advertising Conduct (*Código de conducta publicitaria de Autocontrol*).

⁹⁶ The results of the overall satisfaction surveys carried out for service-station users in Peru are reported on a percentage scale.

⁹⁷ The results of the overall satisfaction surveys carried out for LPG customers in Peru are reported on a percentage scale.

⁹⁸ The results of the overall satisfaction surveys carried out for Chemicals customers are reported on a percentage scale.

Repsol has also voluntarily adhered to other best practice codes for communication and advertising:

- **Self-regulation code for environmental claims in marketing messages:** Repsol is one of the energy-sector companies that have voluntarily adhered to the Autocontrol agreement with the Ministry of the Environment and Rural and Maritime Affairs for marketing communications.
- **E-commerce and interactive advertising ethical code:** Repsol has adhered to “*Confianza On-line*” (On-line confidence), voluntarily undertaking exacting levels of ethical commitment and responsibility in its internet marketing claims.

Repsol's commitment to transparent and factually-accurate advertising messages is underpinned by continuous monitoring of compliance with these codes of practice.

As part of its pledge to helping to integrate people of differing abilities, people with impaired hearing can watch Repsol's television commercials with subtitles since March 2014. This initiative marks a new milestone in Repsol's goal of building a model characterized for fostering committed and philanthropic community living. In addition, Repsol is studying the viability of extending this initiative to other countries in which the company broadcasts television commercials.

PR7: Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.

Repsol complied with all of the Autocontrol codes in 2014, as shown by it not receiving any complaints in this regard in the year.

Compliance

PR9: Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

We have not identified the payment or imposition of any significant fines under definitive court rulings for non-compliance with laws and regulations in 2014.

Biofuels

OG14: Volume of biofuels produced, purchased and sold.

Repsol helps to reduce CO₂ emissions through the use of biofuels, including bioethanol⁹⁹ in gasolines and biodiesel¹⁰⁰ and VO¹⁰¹ in gasoils.

Repsol follows two lines of action in the area of biofuel manufacturing:

- The development of advanced biofuel projects (using non-food raw materials, biomass) with a high technological component and strong environmental, social and economic sustainability. Although Repsol has not yet started to manufacture this type of biofuel, the company's Technology Center has projects in the development phase involving biotechnological processes (advanced fermentation) and thermochemical processes (pyrolysis and processing in refining units).
- The production of Hydrotreated Vegetable Oil (HVO) and hydrobiodiesel in our refineries. This is a vegetable oil obtained from oleaginous seeds treated with hydrogen that is used to make gasoils. In 2014, more than 250,000 tons of this biofuel were produced.

Kilotons	Biofuels produced	Biofuels purchased	Biofuels sold
FAME		215	215
VO		302	
HVO	253		238
Bioethanol		171	161

⁹⁹ Bioethanol is obtained from the fermentation of starch from cereals or sugars from beet or cane and is either mixed directly with gasoline or used in the form of ETBE (Ethyl tert-butyl ether).

¹⁰⁰ Biodiesel consists of fatty acid methyl esters (FAME) obtained from the transformation of vegetable oils extracted from oleaginous seeds normally used mixed with gasoils.

¹⁰¹ VO: Vegetable Oil



APPENDIX I: GRI, ISO 26000 and Global Compact



Part I: Profile			
GRI	ISO 26000	Global Compact	Reference in the CR Report
Indicator	Core subjects and issues	Principles	
1. Strategy and Analysis			
1.1	Message from the Chairman	6.2. Organizational governance	Page 11
1.2	Description of key impacts, risks and opportunities.	6.2. Organizational governance	Page 15
2. Organizational profile			
2.1	Company name		Page 16
2.2	Primary brands and products and/or services.		Page 16
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures	6.2. Organizational governance	Page 16
2.4	Location of organization's headquarters		Page 16
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.		Page 16
2.6	Nature of ownership and legal form.		Page 16
2.7	Markets served (including geographical breakdown, sectors served and types of customers/ beneficiaries)		Page 17
2.8	Scale of the reporting organization		Page 17
2.9	Significant changes during the reporting period regarding size, structure or ownership		Page 17
2.10	Awards received in the reporting period		Page 17
3. Report parameters			
Report profile			
3.1	Reporting period for information provided		Page 20
3.2	Date of most recent previous report.		Page 20
3.3	Reporting cycle		Page 20
3.4	Contact point for questions regarding the report or its contents.		Page 20
3.5	Process for defining report content		Page 20

	GRI	ISO 26000	Global Compact	Reference in the CR Report
	Indicator	Core subjects and issues	Principles	
3. Report parameters				
3.6	Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).			Page 22
3.7	State any specific limitations on the scope or boundary of the report.			Page 22
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations			Page 22
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report			Page 22
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).			Page 22
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.			Page 22
GRI index				
3.12	Table identifying the location of the standard disclosures in the report			Page 23
Verification				
3.13	Policy and current practice with regard to seeking external assurance for the report	7.5.3 Verification		Page 23
4. Governance, commitments and engagement				
Governance				
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational supervision	6.2. Organizational governance		Page 24
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	6.2. Organizational governance		Page 24
4.3	For organizations that have a unitary board structure, state the number of members of the chief governance body that are independent or non executive members	6.2. Organizational governance		Page 24
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	6.2. Organizational governance		Page 24
4.5	Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	6.2. Organizational governance		Page 24
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	6.2. Organizational governance		Page 25

	GRI	ISO 26000	Global Compact	Reference in the CR Report
	Indicator	Core subjects and issues	Principles	
4. Governance, commitments and engagement				
4.7.	Process for determining the qualifications, and expertise of the members of the highest governance body, in order to guide the organization's strategy in social, environmental and economic aspects.	6.2. Organizational governance		Page 25
4.8.	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation.	6.2. Organizational governance		Page 25
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.	6.2. Organizational governance		Page 25
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance	6.2. Organizational governance		Page 25
Commitments with external initiatives				
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	6.2. Organizational governance	P7	Page 26
4.12	Externally developed economic, environmental, and social charters, principles or other initiatives to which the organization subscribes or endorses.	6.2. Organizational governance		Page 26
4.13	Memberships in major associations (such as industry associations) and/or national and international advocacy organizations, in which the organization: Has positions in governance bodies; Participates in projects or committees; Provides substantial funding beyond membership dues; or Views membership as strategic	6.2. Organizational governance		Page 28
Stakeholder engagement				
4.14	List of stakeholder groups engaged by the organization.	6.2. Organizational governance		Page 30
4.15	Basis for identification and selection of stakeholders with whom to engage.	6.2. Organizational governance		Page 30
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	6.2. Organizational governance		Page 32
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	6.2. Organizational governance		Page 52

Part II: Performance Indicators

GRI		ISO 26000	Global Compact	Reference in the	Verification
Indicator		Core subjects and issues	Principles	CR Report	
1. Economic					
1.1. Economic Performance					
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation and other community investments, retained earnings, and payments to capital providers and governments.	6.8 Community involvement and development. 6.8.3 Community involvement. 6.8.7 Wealth and income creation. 6.8.9 Social investment.		Page 60	✓
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	6.5.5 Climate change mitigation and action.	P7	Page 61	✓ [1]
EC3	Coverage of the organization's defined benefit plan obligations.			Page 61	✓
EC4	Significant financial assistance received from government.			Page 62	✓
1.2. Market presence					
EC5	Range of ratios of standard entry-level wage compared to local minimum wage at significant operations locations.	6.3.7 Discrimination and vulnerable groups. 6.4.4 Work conditions and social protection 6.8 Community involvement and development.	P1, P6	Page 62	✓
EC6	Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation.	6.6.6 Promoting social responsibility in the value chain. 6.8 Community involvement and development. 6.8.5 Employment creation and skills development. 6.8.7 Wealth and income creation.		Page 63	✓ [13]
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	6.8 Community involvement and development. 6.8.5 Employment creation and skills development. 6.8.7 Wealth and income creation.	P6	Page 74	✓

GRI	ISO 26000	Global Compact	Reference in the	Verification
Indicator	Core subjects and issues	Principles	CR Report	
1. Economic				
1.3. Indirect economic impacts				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement	6.3.9 Economic, social and cultural rights. 6.8 Community involvement and development. 6.8.3 Community involvement. 6.8.4 Education and culture. 6.8.5 Employment creation and skills development. 6.8.6 Technology development and access. 6.8.7 Wealth and income creation. 6.8.9 Social investment.	Page 75	✓
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	6.3.9 Economic, social and cultural rights. 6.6.6 Promoting social responsibility in the value chain. 6.6.7 Respect for property rights. 6.7.8 Access to essential services. 6.8 Community involvement and development. 6.8.5 Employment creation and skills development. 6.8.6 Technology development and access. 6.8.7 Wealth and income creation. 6.8.9 Social investment.	Page 75	✓
OG1	Volume and type of estimated reserves and production		Page 79	✓
2. Environmental				
2.1. Materials				
EN1	Materials used by weight or volume.	6.5 Environment. 6.5.4 Use of sustainable resources.	P7,P8 Page 80	✓ [2]
EN2	Percentage of materials used that are recycled input materials.	6.5 Environment. 6.5.4 Use of sustainable resources.	P8 Not material	N/A
2.2. Energy				
EN3	Direct energy consumption by primary energy source.	6.5 Environment. 6.5.4 Use of sustainable resources.	P7,P8 Page 80	✓ [3]

GRI		ISO 26000	Global Compact	Reference in the	Verification
Indicator		Core subjects and issues	Principles	CR Report	
2. Environmental					
OG2	Total amount invested in renewable energy.			Page 81	✓
OG3	Total amount of renewable energy generated by source.			Page 81	✓ [7]
EN4	Indirect energy consumption by primary source.	6.5 Environment. 6.5.4 Use of sustainable resources.	P8	Page 82	✓ [4]
EN5	Energy saved due to conservation and efficiency improvements.	6.5 Environment. 6.5.4 Use of sustainable resources.	P8	Page 82	✓
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	6.5 Environment. 6.5.4 Use of sustainable resources.	P8, P9	Page 83	✓
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	6.5 Environment. 6.5.4 Use of sustainable resources.	P8, P9	Page 83	✓
2.3. Water					
EN8	Total water withdrawal by source.	6.5 Environment. 6.5.4 Use of sustainable resources.	P7,P8	Page 84	☑ [3]
EN9	Water sources significantly affected by withdrawal of water.	6.5 Environment. 6.5.4 Use of sustainable resources.	P8	Page 84	✓ [5]
EN10	Percentage and total volume of water reused.	6.5 Environment. 6.5.4 Use of sustainable resources.	P8	Page 85	✓
2.4. Biodiversity					
EN11	Description of land adjacent to or located within protected natural spaces and unprotected areas of high biodiversity. State the location and size of lands owned, leased or managed which have high biodiversity and are outside protected areas.	6.5 Environment. 6.5.6 Protection of the environment and biodiversity, and restoration of natural habitats.	P8	Page 85	✓
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	6.5 Environment. 6.5.6 Protection of the environment and biodiversity, and restoration of natural habitats.	P8	Page 86	✓
EN13	Habitats protected or restored.	6.5 Environment. 6.5.6 Protection of the environment and biodiversity, and restoration of natural habitats.	P8	Page 86	✓ [5]
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	6.5 The environment. 6.5.6 Protection of the environment and biodiversity, and restoration of natural habitats. 6.8.3 Community involvement	P8	Page 86	✓

GRI		ISO 26000	Global Compact	Reference in the CR Report	Verification
Indicator		Core subjects and issues	Principles		
2. Environmental					
OG4	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored.	6.5 Environment		Page 89	✓
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	6.5,6 Protection of the environment and biodiversity, and restoration of natural habitats. 6.5 Environment.	P8	Page 90	✓
2.5. Emissions, effluents and waste					
EN16	Total direct and indirect greenhouse gas emissions by weight.	6.5 Environment. 6.5,5 Climate change mitigation and action.	P7,P8	Page 90	☑ [3]
EN17	Other indirect greenhouse gas emissions by weight.	6.5 Environment. 6.5,5 Climate change mitigation and action.	P8	Page 92	✓ [6]
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	6.5 Environment. 6.5,5 Climate change mitigation and action.	P8, P9	Page 92	✓
EN19	Emissions of ozone-depleting substances by weight.	6.5,3 Prevention and contamination.		Not material	N/A
EN20	NO _x , SO _x and other significant air emissions by type and weight.	6.5 Environment. 6.5,3 Prevention and contamination.	P7,P8	Page 94	☑ [3]
EN21	Total water discharges by nature and destination.	6.5 Environment. 6.5,3 Prevention and contamination.	P8	Page 94	✓
OG5	Volume of produced or treated water.			Page 96	☑
EN22	Total weight of waste by type and disposal method.	6.5 Environment. 6.5,3 Prevention and contamination.	P8	Page 96	☑
EN23	Total number and volume of significant spills.	6.5 Environment. 6.5,3 Prevention and contamination.	P8	Page 98	☑
OG6	Volume of flared and vented gas.			Page 98	✓
OG7	Amount of drilling waste and strategies for treatment and disposal.			Page 99	✓
2.6. Products and services					
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	6.5 Environment. 6.5,4 Use of sustainable resources. 6.6,6 Promoting social responsibility in the value chain. 6.7,5 Sustainable consumption.	P7,P8, P9	Page 99	✓

GRI		ISO 26000	Global Compact	Reference in the CR Report	Verification
Indicator		Core subjects and issues	Principles		
2. Environmental					
2.6. Products and services					
OG8	Benzene, lead and sulfur content in fuels.			Page 102	✓
EN27	Percentage of products sold and their packaging materials that are reclaimed at the end of their useful life by category.	6.5 Environment. 6.5.3 Prevention and contamination. 6.5.4 Use of sustainable resources. 6.7.5 Sustainable consumption.	P8	Not material	N/A
2.7. Compliance					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	6.5 Environment.	P8	Page 103	✓
2.8. Transport					
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	6.5 Environment. 6.5.4 Use of sustainable resources. 6.6.6 Promoting social responsibility in the value chain.	P8	Page 103	✓ [6]
2.9. General					
EN30	Total environmental protection expenditures and investments by type.	6.5 Environment.	P9	Page 103	☑
3. Social: Labor and ethical work practices					
3.1. Employment					
LA1	Total workforce by employment type, employment contract and region.	6.4 Labor practices. 6.4.3 Employment and employment relationships.	P6	Page 104	☑
LA2	Total number and turnover of employees by age group, gender and region.	6.4 Labor practices. 6.4.3 Employment and employment relationships.	P6	Page 108	☑
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by main activity.	6.4 Labor practices. 6.4.3 Employment and employment relationships. 6.4.4 Work conditions and social protection		Page 109	✓
LA15	Return to work and retention rates after parental leave, by gender.	6.4 Labor practices. 6.4.3 Employment and employment relationships. 6.4.4 Work conditions and social protection.	P6	Page 111	✓

GRI		ISO 26000	Global Compact	Reference in the CR Report	Verification
Indicator		Core subjects and issues	Principles		
3. Social: Labor and ethical work practices					
3.2. Labor/management relations					
LA4	Percentage of employees covered by collective bargaining agreements.	6.4 Labor practices. 6.4.3 Employment and employment relationships. 6.4.4 Work conditions and social protection. 6.4.5 Social dialogue.	P3	Page 111	✓
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	6.4 Labor practices. 6.4.3 Employment and employment relationships. 6.4.4 Work conditions and social protection 6.4.5 Social dialogue.	P3	Page 112	✓
3.3. Occupational health and safety					
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	6.4 Labor practices. 6.4.6 Occupational health and safety		Not material	N.A.
LA7	Rates of absenteeism, occupational illnesses, lost days and total number of work-related fatalities, by region.	6.3.10 Fundamental principles and rights in the workplace. 6.4 Labor practices. 6.4.6 Occupational health and safety		Page 112	✓ [9]
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	6.4 Labor practices. 6.4.6 Occupational health and safety 6.8 Community involvement and development. 6.8.3 Community involvement. 6.8.4 Education and culture. 6.8.8 Health.		Page 115	✓
LA9	Health and safety topics covered in formal agreements with trade unions.	6.4 Labor practices. 6.4.6 Occupational health and safety.		Not material	N/A
3.4. Training and education					
LA10	Average hours of training per year per employee, by employee category.	6.4 Labor practices. 6.4.7 Human development and training in the workplace.	P6	Page 119	✓

GRI		ISO 26000	Global Compact	Reference in the	Verification
Indicator		Core subjects and issues	Principles	CR Report	
3. Social: Labor and ethical work practices					
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	6.4 Labor practices. 6.4.7 Human development and training in the workplace. 6.8.5 Employment creation and skills development.		Page 121	✓
LA12	Percentage of employees receiving regular performance and career development reviews.	6.4 Labor practices. 6.4.7 Human development and training in the workplace.	P6	Page 124	✓
3.5. Diversity and equal opportunity					
LA13	Composition of governance bodies and breakdown of employees according to gender, age group, minority group membership, and other indicators of diversity.	6.3.7 Discrimination and vulnerable groups. 6.3.10 Fundamental principles and rights in the workplace. 6.4 Labor practices. 6.4.3 Employment and employment relationships.	P6	Page 125	☑
3.6. Equal remuneration for women and men					
LA14	Ratio of basic salary and pay of women to men by employee category.	6.3.7 Discrimination and vulnerable groups. 6.3.10 Fundamental principles and rights in the workplace. 6.4 Labor practices. 6.4.3 Employment and employment relationships. 6.4.4 Work conditions and social protection.	P6	Page 127	✓
4. Social: Human rights					
4.1. Investment and procurement practices					
HR1	Percentage and total number of significant investment agreements that include clauses incorporating human rights concerns, or that have undergone human resources screening.	6.3 Human rights. 6.3.3 Due diligence. 6.3.5 Avoidance of complicity. 6.6.6 Promoting social responsibility in the value chain.	P2	Page 128	✓
HR2	Percentage of significant suppliers and contractors that have undergone human rights screening and actions taken.	6.3 Human rights. 6.3.3 Due diligence. 6.3.5 Avoidance of complicity. 6.4.3 Employment and employment relationships. 6.6.6 Promoting social responsibility in the value chain.	P2	Page 128	✓

GRI		ISO 26000	Global Compact	Reference in the	Verification
Indicator		Core subjects and issues	Principles	CR Report	
4. Social: Human rights					
		6.3 Human rights.			
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	6.3.5 Avoidance of complicity.	P1	Page 132	✓
4.2. Non-discrimination					
		6.3 Human rights. 6.3.6 Resolving grievances. 6.3.7 Discrimination and vulnerable groups. 6.3.10 Fundamental principles and rights in the workplace. 6.4.3 Employment and employment relationships.	P6	Page 133	✓ (10)
HR4	Total number of incidents of discrimination and actions taken.				
4.3. Freedom of association and collective bargaining					
		6.3 Human rights. 6.3.3 Due diligence. 6.3.4 Human rights risk situations. 6.3.5 Avoidance of complicity. 6.3.8 Civil and political rights. 6.3.10 Fundamental principles and rights in the workplace. 6.4.3 Employment and employment relationships. 6.4.5 Social dialogue.	P3	Page 133	✓
HR5	Company activities in which the right to exercise freedom of association and collective bargaining may incur significant risk, and actions taken to support these rights.				
4.4. Child labour					
		6.3 Human rights. 6.3.3 Due diligence. 6.3.4 Human rights risk situations. 6.3.5 Avoidance of complicity. 6.3.7 Discrimination and vulnerable groups. 6.3.10 Fundamental principles and rights in the workplace. 6.6.6 Promoting social responsibility in the value chain.	P5	Page 134	✓
HR6	Activities identified as having significant risk for incidents of child labor, and measures taken to abolish this.				

GRI		ISO 26000	Global Compact	Reference in the	Verification
Indicator		Core subjects and issues	Principles	CR Report	
4. Social: Human rights					
4.5. Forced and compulsory labor					
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	6.3 Human rights. 6.3.3 Due diligence. 6.3.4 Human rights risk situations. 6.3.5 Avoidance of complicity. 6.3.7 Discrimination and vulnerable groups. 6.3.10 Fundamental principles and rights in the workplace. 6.6.6 Promoting social responsibility in the value chain.	P4	Page 134	✓
4.6. Security practices					
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	6.3 Human rights. 6.3.5 Avoidance of complicity. 6.4.3 Employment and employment relationships. 6.6.6 Promoting social responsibility in the value chain.	P1	Page 134	✓
4.7. Indigenous rights					
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	6.3 Human rights. 6.3.6 Resolving grievances. 6.3.7 Discrimination and vulnerable groups. 6.3.8 Civil and political rights. 6.6.7 Respect for property rights.	P1	Page 135	✓
OG9	Operations where indigenous communities are present or affected by activities and where specific engagement strategies are in place.			Page 135	✓
4.8. Evaluation					
HR10	Percentage and total number of operations that are subject to impact assessments and human rights reviews.	6.3 Human rights. 6.3.3 Due diligence. 6.3.4 Human rights risk situations. 6.3.5 Avoidance of complicity.	P1	Page 135	✓ [8]
4.9 Remediation					
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	6.3 Human rights. 6.3.6 Resolving grievances.	P1	Page 137	✓ [5]

GRI		ISO 26000	Global Compact	Reference in the	Verification
Indicator		Core subjects and issues	Principles	CR Report	
5. Social: Society					
5.1. Local communities					
SO1	Percentage of operations with implemented impact assessments, local community engagement, and development programs.	6.3.9 Economic, social and cultural rights.	P1	Page 139	✓ [5]
		6.8 Community involvement and development.			
		6.8.3 Community involvement.			
SO9	Operations with significant potential or actual negative impacts on local communities.	6.8.9 Social investment.	P1	Page 140	✓
		6.3.9 Economic, social and cultural rights.			
		6.5.3 Prevention and contamination.			
SO10	Prevention and mitigation measures implemented in operations with potential or actual negative impacts on local communities.	6.5.6 Protection of the environment and biodiversity, and restoration of natural habitats.	P1	Page 140	✓
		6.8 Community involvement and development.			
		6.3.9 Economic, social and cultural rights.			
OG10	Number and description of significant disputes with local and indigenous communities.	6.5.3 Prevention and contamination.		Page 141	✓
OG11	Number of facilities shut down and those in the process of being shut down.	6.5.6 Protection of the environment and biodiversity, and restoration of natural habitats.		Page 142	✓
5.2. Corruption					
SO2	Percentage and total number of business units analyzed for risks related to corruption.	6.6. Fair operating practices	P10	Page 143	✓
		6.6.3 Anti-corruption.			
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	6.6. Fair operating practices	P10	Page 144	✓ [11]
		6.6.3 Anti-corruption.			
SO4	Actions taken in response to incidents of corruption.	6.6. Fair operating practices	P10	Page 145	✓ [12]
		6.6.3 Anti-corruption.			

GRI		ISO 26000	Global Compact	Reference in the CR Report	Verification
Indicator		Core subjects and issues	Principles		
5. Social: Society					
5.3. Public policy					
S05	Public policy positions and participation in public policy development and lobbying.	6.6. Fair operating practices 6.6.4 Responsible political involvement.	P10	Page 146	✓
S06	Total value of financial and in-kind contributions to political parties, politicians and related institutions, by country.	6.8.3 Community involvement. 6.6. Fair operating practices 6.6.4 Responsible political involvement. 6.8.3 Community involvement.		Page 147	✓ [5]
5.4. Anti-competitive behavior					
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	6.6. Fair operating practices 6.6.5 Fair competition. 6.6.7 Respect for property rights.		Page 147	✓
5.5. Compliance					
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	6.6. Fair operating practices 6.6.3 Anti-corruption. 6.6.7 Respect for property rights. 6.8.7 Wealth and income creation.		Page 147	✓
5.6. Voluntary resettlements					
OG12	Operations in which involuntary resettlements have taken place, number of households relocated and how they have been affected.			Page 148	✓
5.7. Asset integrity and process safety					
OG13	Number of process safety events, by activity			Page 149	✓

GRI	ISO 26000	Global Compact	Reference in the CR Report	Verification
Indicator	Core subjects and issues	Principles		
6. Social: Product Responsibility				
6.1. Customer health and safety				
PR1	Life-cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	6.3.9 Economic, social and cultural rights. 6.6.6 Promoting social responsibility in the value chain. 6.7 Consumer issues. 6.7.4 Protecting consumers' health and safety. 6.7.5 Sustainable consumption.	Page 149	✓
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.	6.3.9 Economic, social and cultural rights. 6.6.6 Promoting social responsibility in the value chain. 6.7 Consumer issues. 6.7.4 Protecting consumers' health and safety. 6.7.5 Sustainable consumption.	Page 149	✓
6.2. Product and service labeling				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	6.7 Consumer issues. 6.7.3 Fair marketing, factual and unbiased information and fair contractual practices. 6.7.4 Protecting consumers' health and safety. 6.7.5 Sustainable consumption. 6.7.6 Consumer service, support, and complaint and dispute resolution. 6.7.9 Education and awareness.	Page 149	✓
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	6.7 Consumer issues. 6.7.3 Fair marketing, factual and unbiased information and fair contractual practices. 6.7.4 Protecting consumers' health and safety. 6.7.5 Sustainable consumption. 6.7.6 Consumer service, support, and complaint and dispute resolution. 6.7.9 Education and awareness.	Page 149	✓

GRI	ISO 26000	Global Compact	Reference in the CR Report	Verification
Indicator	Core subjects and issues	Principles		
6. Social: Product Responsibility				
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	6.7 Consumer issues. 6.7.4 Protecting consumers' health and safety. 6.7.5 Sustainable consumption. 6.7.6 Consumer service, support, and complaint and dispute resolution. 6.7.8 Access to essential services. 6.7.9 Education and awareness.	Page 150	✓
6.3. Marketing Communications				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	6.7 Consumer issues. 6.7.3 Fair marketing, factual and unbiased information and fair contractual practices. 6.7.6 Consumer service, support, and complaint and dispute resolution. 6.7.9 Education and awareness.	Page 153	✓
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	6.7 Consumer issues. 6.7.3 Fair marketing, factual and unbiased information and fair contractual practices. 6.7.6 Consumer service, support, and complaint and dispute resolution. 6.7.9 Education and awareness.	Page 154	✓
6.4. Customer privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		Not material	N/A
6.5. Compliance				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	6.7 Consumer issues. 6.7.6 Consumer service, support, and complaint and dispute resolution.	Page 154	✓
6.6. Biofuels				
OG14	Volume of biofuels produced and sold under sustainable criteria		Page 155	✓

✓ Revised indicator

Extended procedures for increased security of the information reported.

N/A. Validation not applied

(1) The CDP questionnaire available is for 2013, information for 2014 is not available at the date of this report.

(2) Breakdown of the main raw material (processed crude oil).

(3) Does not include information on intensity indicators.

(4) Not broken down by primary source, although this information depends on Repsol's suppliers

(5) Qualitative information provided.

(6) Information relating to Scope 3 is limited to the most significant emissions - information available from Repsol.

(7) Installed capacity provided.

(8) Completed assessments reported.

(9) Includes absence from the workplace for reasons of illness in Spain, in addition to the occupational illness rate and accident rate, and the number of fatalities in the Group.

(10) Incidents of discrimination reported.

(11) Online course on the Ethics and Conduct Regulation

(12) Sanction and labor measures reported.

(13) Indicator refers exclusively to purchases made by the department of purchasing and contracting, and excluding purchases of crude oil, gas and materials

* 10 Principles of the Global Compact

HUMAN RIGHTS

1. Businesses should support and respect the protection of internationally proclaimed human rights.

2. Businesses should make sure they are not complicit in human rights abuses

LABOR

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

4. Businesses should uphold the elimination of all forms of forced and compulsory labor.

5. Businesses should uphold the effective abolition of child labor.

6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

7. Businesses should support a precautionary approach to environmental challenges.

8. Businesses should undertake initiatives to promote greater environmental responsibility.

9. Businesses should encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

10. Businesses should work against corruption in all its forms, including extortion and bribery.



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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Independent Assurance Report on the 2014 Corporate Responsibility Report of Repsol Group

Scope of our work

We have performed a review of the 2014 Corporate Responsibility Report (CRR) of Repsol Group, the scope of which is defined in the section 3, "Report parameters" of CRR Part I. Our work consisted of the review of:

- The adherence of the content of the CRR to the GRI Sustainability Reporting Guidelines version 3.1 and the performance indicators, including the Oil & Gas Sector Supplement, proposed in the aforementioned guidelines for 2014.
- The information included in the CRR relating to the application of the principles of inclusivity, materiality and responsiveness set out in the AccountAbility's AA1000 AccountAbility Principles Standard 2008 (AA1000APS).

Assurance standards and procedures

We conducted our review in accordance with International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with Guidelines for engagements relating to the review of Corporate Responsibility Reports issued by the Spanish Institute of Certified Public Accountants to provide limited assurance. Also, we have applied AccountAbility's AA 1000 Assurance Standard (2008) (AA1000AS) to provide moderate assurance on the application of the principles established in standard AA1000APS and on the sustainability performance indicators (type 2 moderate assurance). In addition, Repsol Group has requested wider review procedures for some key indicators identified in the Appendix I of the CRR, with a view to obtain a higher level of assurance of the reported information; these additional procedures are detailed at the end of this section.

Our work consisted of making enquiries to management and certain areas and business units of Repsol Group and subsidiaries involved in the preparation of the CRR, and of carrying out the following analytical procedures and sample-based review tests:

- Meetings with Repsol Group personnel to ascertain the principles, systems and management approaches applied.
- Analysis of the processes used to gather and validate the data included in the CRR.
- Review of the steps taken for the identification and consideration of the stakeholders during the year and of the stakeholder's participation processes through the analysis of the internal information available and third-party reports.
- Analysis of the coverage, materiality and completeness of the information included in the CRR according to the understanding of the requirements of Repsol Group's stakeholders, regarding the material issues identified by the organisation and described in section 3.5, "Process for defining report content", of CRR Part I.
- Review of the information relating to the management approaches applied and verification of the existence and scope of the Corporate Responsibility (CR) policies, systems and procedures.
- Analysis of the adherence of the contents of the CRR to those recommended in the G3.1 Guidelines and verification that the general and the Oil & Gas Sector Supplement indicators included agree with those recommended by the GRI Guidelines.
- Review on a sample basis of the quantitative and qualitative information relating to the GRI indicators included in the CRR, and the adequate compilation thereof based on the data provided by Repsol Group information sources.
- For some key indicators, identified in the Appendix I of the CRR, we have carried out additional review procedures during our visits to representative facilities of the Group activities. Particularly we have visited 5 facilities in Spain during 2014, where we have reviewed the following:
 - Processes and procedures used during the collection, aggregation and validation of the sustainability information reported.
 - Verification Reports related to ISO 14064, ISO 14001 y OHSAS 18001 certifications.

Responsibilities of Repsol Group management and of Deloitte

- The preparation and contents of the CRR is the responsibility of Repsol Group's Management, which is also responsible for defining, adapting and maintaining the management and internal control systems from which the information is obtained.
- Our responsibility is to issue an independent report based on the procedures applied in our review.
- Since a limited assurance is substantially less in scope than a reasonable assurance engagement, we do not provide reasonable assurance on the CRR.
- This report has been prepared solely for Repsol Group management in accordance with the terms and conditions of our Engagement Letter.
- We conducted our work in accordance with the independence standards required by the Code of Ethics of the International Federation of Accountants (IFAC).
- Our team consisted of a combination of professionals with assurance qualifications and economic, social, environmental and stakeholder engagement experience.

Conclusions

The Appendix I of the CRR, "GRI, ISO 26000 and Global Compact", provides details of the indicators reviewed and of the limitations in the scope of our work, and identifies any indicators that do not cover all the areas recommended by the GRI. As a result of our review, no other matters were disclosed that would lead us to believe that the CRR contained material errors or that it was not prepared in accordance with the guidelines of the Global Reporting Initiative Sustainability Reporting Guidelines version 3.1.

Also, the review procedures performed did not disclose any matter that would lead us to believe that Repsol Group has not applied the principles of inclusivity, materiality and responsiveness as described in the section 3.5, "Process for defining report content", of the CRR in accordance with standard AA1000 2008 APS:

- **Inclusivity:** Repsol Group has developed a stakeholder's participation process that facilitates their involvement in the development of a responsible approach.
- **Materiality:** the process of determining materiality means the understanding of the material or important matters for Repsol Group and its stakeholders.
- **Responsiveness:** Repsol Group responds with specific actions and commitments to the material issues identified previously.

Observations and recommendations

In addition, we presented to the Management of the Repsol Group our recommendations regarding the areas of improvement in CR management, and the application of the inclusivity, materiality and responsiveness principles. The most significant recommendations, that do not change the conclusions expressed in this report, are summarised next.

Inclusivity

The Repsol Group has continued to extend its CR management model to the countries in which it has a significant presence and its main industrial facilities, and in 2014 the Trinidad and Tobago and Petronor Industrial Complex CR committees were set up. These committees enable the Group to strengthen contact with its stakeholders, identify significant issues at a local level and plan the most appropriate actions with the greatest impact. Likewise, activities such as "Repsol Sustainability Day", which is aimed at analysts and investors, enable Repsol to present the main sustainability initiatives implemented by the Group in a format adapted to this stakeholder and to obtain first-hand evaluations and expectations from them.

Following up the progress of these actions and their repercussion on the stakeholders should continue to be a key aspect in the definition and dissemination of the Identification of Expectations Studies in 2015.

Materiality and Responsiveness

Repsol has continued to improve the information provided in the CRR in relation to the indicators in GRI 3.1 Guidelines and the Oil and Gas Sector Supplement, which had either not been reported or were reported only partially in previous years. With regard to the preparation of the 2015 CRR, Repsol should analyse the new requirements of the GRI G4 guideline in order to, where applicable, plan and implement on a timely basis the measures considered appropriate that enable it to report in the most rigorous manner possible in accordance with this guideline.

This new version of the GRI Guidelines places special emphasis on the concept of materiality and the impact of relevant topics, not only within the organisation itself, but also in its value chain, understood as other organisations in which it participates or with which it cooperates or interacts. Although steps have already been taken in this regard, we recommend that Repsol update its materiality study and investigate in greater depth the main impacts associated with its value chain. The issues related to the organisation's governance and its responsibility and involvement in CR management, following the presentation of the Code of Good Governance for listed companies issued by the Spanish National Securities Market Commission, will also continue to be important.

Also, as part of the implementation of the Respect for Human Rights Policy approved in 2013, Repsol has developed a series of on-site workshops aimed at risk evaluation processes and the application of effective complaints mechanisms. In relation to human rights risks in the supply chain, Repsol should continue to improve the evaluation criteria of the business partners and suppliers and intensify the follow-up of compliance with human rights measures by means of specific audits.

With regard to the measurement and reduction of the most significant environmental impacts of its activities, Repsol has implemented the "Repsol Water Tool" to identify and measure the risks associated with the consumption and discharge of water in its activities. In this connection, 2015 will be the year in which to complete the Group's water management map and implement the action plans in order to do so, prioritising intensive water consumption and discharge activities, especially in the areas identified as suffering from the greatest water stress.

DELOITTE ADVISORY, S.L.



Helena Redondo
Madrid, February 25th 2015

