

3.8

Giving back to local communities

GRI: 3-3, 203-2, 411-1, 413-1, 413-2 / SASB: EM-EP-210a.3, EM-EP-210b.1, RT CH-210a.1.



MILESTONES 2023

Completion of stage one of the rural road upgrade plan in Peru known as Summer Plan II, with work on 14 km of the planned 18 km finished in 2023.

Publication of the first state report on how society perceives the ecological transition in Spain by the Just Transition Observatory, spearheaded by the Cepsa Foundation (Spain).

KEY INDICATORS	2023	2022
Total social contribution (€ m)	4.7	4.5
Voluntary social contribution (Cepsa Foundation)		
Contribution (€ m)	4.3	4.2
Voluntary contribution over the total (%)	92 %	95 %
Direct beneficiaries (no.)	120,734	121,744
Indirect beneficiaries (no.)	361,934	364,961
Collaborating entities (no.)	144	154
Initiatives supported (no.)	164	171
Corporate volunteering initiatives (no.)	26	24
Participants in voluntary initiatives (no.)	722	427
Community work at the operational level		
Contribution (€ m)	0.4	0.2
Direct beneficiaries (no.)	35,983	49,650
Indirect beneficiaries (no.)	95,323	249,969
Collaborating entities (no.)	55	76
Initiatives supported (no.)	42	39



For further information, refer to Appendix 2.7 Stakeholders

3.8.1

Local community relations

Under our [Sustainability policy](#), we have pledged to create long-term value for the company and society, promoting a sustainable business model that contributes to local social and economic development.

We respect all cultures and communicate actively with the local communities living close to our facilities in order to identify and address their concerns. We strive to support the local communities and social organisations and invest in community initiatives in an effort to respond to society's needs and priorities.

Regularly, we assess the risks, opportunities and impacts of our activities on local communities, both when applying for environmental permits (when we conduct environmental and social impact assessments) and during the social risk analyses conducted in the course of operations, as well as during investment and project execution processes. We formulate local community engagement programmes which include preventive, corrective and compensation measures, while also seeking to generate opportunities and positive impacts.

Our Society Relations Manual lays down the guidelines for engaging with our local communities. Our Exploration and Production business has its own specific Community Management Plan for the management of assets in Latin America. That plan is articulated around four lines of initiative: environment reconnaissance; stakeholder engagement; risk and impact management; and due diligence. It is implemented by means of operating procedures¹, such as the Local and regional employment generation procedure, addressing training, skills development and access to technology, and the Local and regional sourcing of goods and services procedure, designed to invigorate local commerce.



Local community communication and outreach

We engage in two-way dialogue with our local communities, providing them with accurate information about our activities and addressing their concerns in a timely manner.

The community outreach activities undertaken at our main industrial facilities focus on steady institutional dialogue with the authorities and government, as well as with the neighbouring residents. We use a number of different tools to do this, including community liaison committees, open day events and seminars.



¹ Early entry into the area of influence; Stakeholder engagement; Prior community consultation; Local and regional job creation; Local and regional sourcing of goods and services; Community investment; and Management of requests, grievances and enquiries.

In our Exploration & Production business, under the scope of our Community Management Plan, we have implemented community engagement programmes at 100% of our operated assets with local communities in their areas of influence, which applies to our operations Colombia and Peru. We have specialist teams with the skills needed to communicate and address concerns, questions and suggestions about our projects. These teams proactively organise initiatives targeted at specific stakeholders² with the aim of boosting their knowledge and participation in operating matters, community investment initiatives, job opportunities and public-private social development alliances.

Claims and grievance management is regulated in the Society Relations Manual. The channels used include the Integrity Channel, phone lines, email, postal service, briefing sessions and committee meetings, which we complement with traditional and social media monitoring. In addition, in the Exploration and Production business we have a specific grievance management procedure so we can monitor the development and resolution of claims and complaints (those in progress, those closed and how long they are taking to resolve).

Public-private partnership to upgrade local roads in Peru



In 2022 we finished Summer Plan I, upgrading 12 km of local roads, and in 2023, we completed phase one of Summer Plan II, upgrading 14 km of local roads near the town of Pueblo de Macuya, which lies in the area of influence of the Los Ángeles field in Peru.

This initiative is a public-private partnership in collaboration with the Ministry of Energy and Mining, the Peruvian army and local town councils, as well as Cepsa. It directly benefits more than 1,000 families whose livelihoods are farming and fishing and who need to use the roads in order to sell their fresh products any time of the year.



Indigenous communities

We specifically acknowledge and respect the rights of indigenous communities in our [Sustainability policy](#) and our [Human rights policy](#), in line with the 10 United Nations Global Compact Principles, United Nations Declaration on the Rights of Indigenous Peoples and ILO Convention no. 169 on Indigenous and Tribal Peoples.

We do not carry out operations on indigenous people's land and, therefore, there are no indigenous communities within the direct areas of influence of any of our assets. We have a close relationship with the Wacoyo indigenous community whose reservation borders the outer edge of block at the Caracara field in Colombia. In partnership with this community and under the scope of our Community Management Plan, we conduct voluntary social investment initiatives designed to foster their economic and social development.

At that same block we are participating in an initiative being spearheaded by the local government in Puerto Gaitán, which aims to pursue coordinated community projects involving the state, indigenous communities and private companies.

As a precaution, we also have a specific prior consultation procedure which encourages early entry into the sites of ethnic communities and effective and formal participation so as to safeguard ethnic and cultural integrity. Since none of our operations are located on the sites of indigenous communities, we have not yet had to activate this procedure and no resettlements have been necessary.

Community work at the operational level

Our community work at the operational level, which is centred in our Exploration and Production business, is driven by legal and business permit requirements and is articulated around operational transparency, doing business harmoniously and respectfully with the communities in our areas of direct influence and furthering their development, making room for the diversity that exists from one operation to another.

This work, which is concentrated in Colombia and Peru, focuses primarily on local social and economic development, health, culture, tourism, education and environmental protection.

These initiatives are all assessed by the competent authorities who check the suitability, effectiveness and results of the measures taken. Lastly, we undertake ad-hoc social impact assessments to measure the effects of our community engagement endeavours so we can continually fine-tune our programmes to ensure they continue to have a positive impact.

² Local communities, neighbours, local and regional authorities, contractors, local business owners, landowners and traditional leaders and, if applicable, farming and indigenous communities.

3.8.2

Cepsa Foundation

The Cepsa Foundation's mission is to have a positive impact on society by promoting a just green transition, leveraging three lines of action:



Social support: by collaborating with social and public entities we strive to make people's lives better, paying special attention to the most vulnerable; drive energy efficiency via corporate volunteering initiatives designed to tackle energy poverty, and grant our Social Value Awards to the best energy transition projects.



Positive environmental impact: lending support for the recovery and conservation of high nature value spaces, prioritising the regeneration of wetlands, and driving citizen awareness campaigns to foster more environmentally-friendly conduct.



Scientific learning: championing research and innovation in areas such as Industry 4.0, the energy transition, the circular economy and energy efficiency and encouraging teenagers and youths, especially students, to pursue careers in the sciences.



For further information about our positive environmental impact, refer to 3.2.3 Fostering biodiversity

Over the past few years we have oriented these three lines of action around the just green transition thrust. In 2022 we backed the Just Transition Observatory with the aim of actively listening to how Spanish society perceives the green transition for analytical purposes and, together with experts and other agents, detect opportunities and mitigate risks. In 2023 the Observatory published the first state report whose title translates as: [How Spanish society perceives the ecological transition, 2022-2023](#).

Last year the Cepsa Foundation also redefined its strategy for giving back to society and caring for our surroundings by focusing it from this year on three lines of initiative: people (our commitment to society's wellbeing); biodiversity (our contribution to repairing the planet); and social innovation (our role as an engine for green transformation).

In order to measure the impact generated by the Cepsa Foundation we have designed special methodology for monitoring that impact, segmented by area of intervention.





Most of our projects are carried out in collaboration with stakeholders such as social entities and public authorities, playing the role of backer, financier or partner. Execution of the projects themselves is undertaken by expert entities on the ground.

One example of how we collaborate are our Social Value Awards, created in 2005. These awards are organised and granted by the Cepsa Foundation and are targeted at non-profits located in the areas of influence of our operations. Local juries and the public authorities ultimately decide which projects receive the awards.

Training and local employment

The Cepsa Foundation carries out a range of initiatives in support of local employment and training, which are led by our social support and scientific learning efforts.

In Spain we award vocational training scholarships to vulnerable youths under the age of 30. We collaborate with universities through six Cepsa Foundation Chairs in science departments

related with energy and we support research and student and faculty recognition initiatives. We also work with the local authorities to help with job programmes, for example, the programme for young job-seekers run by the town council of Palos de la Frontera (Huelva), and we do volunteering with people looking for work. We work with a range of initiatives such as the Wetlands Seminar and the Energy Campus.

In Colombia and Peru we are involved in farming and fishing training initiatives for the local communities aimed at contributing to economic development and income diversification. Also in Colombia we provide skills and community leadership training to children and youths. And in Peru we help local producers analyse their situations to help them approach and penetrate the production chains.

The Cepsa Foundation additionally contributes to local education and employment in Spain, Portugal and Colombia via the Social Value Awards.



2.7

Social contribution

2.7.1

Local communities

[GRI 203-1] Infrastructure investments and services supported

Community work at the operational level by type, purpose and country (€)

		2023	2022
Total		386,640	235,480
Type of contribution	Financial aid	—	—
	Project execution and development expenditure	386,640	235,480
	Processing expenditure	—	—
Purpose	One-off contribution	—	—
	Community investment	386,640	235,480
	Initiative aligned with the business	—	—
Type of initiative	Social support	225,103	185,061
	Environmental	—	—
	Scientific-educational	161,537	50,419
	Processing expenditure	—	—
Country	Colombia	161,537	50,419
	Peru	225,103	185,061

Community work undertaken by Cepsa Foundation by type, purpose and country (€)

		2023	2022
Total		4,275,106	4,225,607
Type of contribution	Financial aid	2,707,773	2,851,738
	Project execution and development expenditure	1,042,705	982,366
	Processing expenditure	524,628	391,503
Purpose	One-off contribution	2,290,887	2,035,023
	Community investment	1,984,219	2,190,584
	Initiative aligned with the business	—	—
Type of initiative	Social support	1,968,961	1,808,750
	Environmental	885,220	1,182,178
	Scientific-educational	896,297	843,176
	Processing expenditure	524,628	391,503
Country	Spain	3,437,966	3,374,120
	Algeria	10,000	20,000
	Colombia	545,827	568,712
	Peru	203,536	176,559
	Portugal	77,777	86,216

[GRI 203-2] Significant indirect economic impacts

Community work initiatives at the operational level within the Exploration & Production business:

Name of initiative	Country	Description of initiative and associated impact
Socio-environmental workshops and skill-building in compliance with the Llanos 22 Environmental Management Plan (EMP)	Colombia	Institutional and community support as part of compliance with the Llanos 22 block permit. Social fabric reinforcement workshops and skill-building; celebration of Women's Day; and the Casanare Palpita project.
Socio-environmental workshops and skill-building in compliance with the Caracara EMP	Colombia	Socio-environmental workshops with communities in line with the commitments of the EMP.
Socio-environmental workshops and skill-building in compliance with the oil pipeline EMP.	Colombia	Support for local business owners to hone their skills in occupational health and safety, administrative and sales processes, planning and strategic thinking.
Socio-environmental workshops and skill-building on the good and effective use of water resources.	Colombia	Socio-environmental workshops with communities to comply with the commitments of the EMP on good water resource use.
Support for communities and institutions as part of the Puntero project abandonment process.	Colombia	Ad-hoc contributions to six hamlets in the area of influence, lending support for local families' productive activities. Workshops on the recovery of sugar canes and reinforcement of educational institutions.
Support for communities and institutions as part of the Jilguero-Tiple-Garibay project abandonment process.	Colombia	Ad-hoc contributions to three hamlets in the area of influence (Vigia Trompillo, Carupana and Mata de Urama). Tourist route planning in the town of Tauramena. Skill-building for local officials.
Support for communities and institutions as part of the Merecure project abandonment process.	Colombia	Ad-hoc contributions to 25 hamlets forming part of the road corridor and direct area of influence of the Merecure block, specifically including assistance with families' living plans, breeding projects, technological equipment and tools for educational centres.
Health campaign	Peru	In conjunction with our health officers, we helped the towns within our area of influence by donating medicine, furniture, medical equipment, computers and office equipment.
School campaign	Peru	Donation of audiovisual equipment for primary and secondary school classrooms at the Jaime Tseng school in Macuya.
Macuya road upgrade - Summer Plan II	Peru	Upgrade of the local roads of Macuya as part of a multi-stakeholder partnership between Cepsa and the town of Puerto Inca.
Sustainability Plan	Peru	Technical consultancy to diagnose the state of the local roads in the town of Macuya with the aim of identifying those most relied on and apt for resurfacing using public sources of financing.
Productive projects	Peru	Reinforcement of productive capabilities in the cacao chain for grower families in the towns of Macuya, Los Ángeles and Primavera.
Tubular well drilling	Peru	Drilling of a tubular well for the supply of drinking water to the town of Macuya.

Noteworthy initiatives pursued by the Foundation in 2023:

Name of initiative	Scope	Country	Description of initiative and associated impact
SDGs in school	Social support - School-goers	Spain	Volunteering programme aimed at teaching primary school children about the Sustainable Development Goals and 2030 Agenda. We also developed an adapted version for students with intellectual disabilities.
Cepsa and employability	Social support – Job seekers	Spain	Volunteering programme aimed at helping job seekers join the labour market through by providing training to complement the employability programmes run by social entities such as the Santa María La Real Foundation.
Food distribution assistance	Social support – Vulnerable families	Algeria, Spain and Portugal	Support for food drives for vulnerable families, this being one of Cepsa's most established initiatives across a number of locations.
Emergency relief	Social and environmental support - Society in general	Morocco and Spain	Donation of €24,000 to Red Cross Spain to support its efforts to assist the victims of the earthquake in Morocco. With the town hall of Tenerife, we also donated €24,000 to help with the recovery of the area affected by the fire in the Teide National Park (Canaries).
Help with energy efficiency for vulnerable groups	Social and environmental support - Homeless people and vulnerable families	Spain	We worked with the town council of Algeciras to improve energy efficiency at a new night shelter for the homeless in the Pescadores neighbourhood. In addition, our volunteers, having first received training on energy savings from ECODES, participate in diagnosing the energy efficiency of vulnerable households, making recommendations about how to save.
Staff environmental awareness drives.	Positive environmental impact	Spain	In Santa Cruz de Tenerife we organised our second Biodiversity Seminar event where people come together to reflect on and share knowledge about nature recovery and conservation projects.
ComFuturo, programme with the CSIC Foundation	Science learning - Researchers	Spain	We participated in the third edition of the ComFuturo programme, a public-private partnership aimed at capturing young talent and fostering innovative research addressing issues such as climate change, energy harnessing, waste recovery and GHG emission abatement.
Micro research projects with the Cepsa Foundation's University Chairs	Science learning - University students	Spain	Through the Cepsa Foundation's Chairs at the universities of Cadiz, La Laguna, Huelva and Malaga and with Madrid's Polytechnic University's School of Mining and Energy, annually we fund embryonic-stage research related with energy storage, decarbonisation, the circular economy, waste and pollution recovery, biofuels, energy efficiency, green hydrogen, CO ₂ capture and conversion, carbon footprinting, climate change and technological innovation.
Science fairs	Science learning – Teenagers and youths	Spain	Support for a number of scientific dissemination initiatives so as to share the work and outcomes of researchers with young people in an amenable and attractive manner. We collaborated with the International Science Days (Cadiz), La Orotava Science Fair (Canaries) and Macaronight and its Scientific Careers Fair.

Grievances from local communities

Grievances from local communities in Exploration & Production

	2023	2022
Grievances (no.)	17	24
Grievances addressed and resolved (no.)	12	23
Grievances addressed and resolved (%)	71 %	96 %
Grievances resolved through remediation (no.)	—	4
Grievances resolved through remediation (%)	— %	17 %

Grievances from local communities in industrial facilities in Spain

	2023	2022
Grievances (no.)	5	—
Grievances addressed and resolved (no.)	5	—
Grievances addressed and resolved (%)	100 %	— %
Grievances resolved through remediation (no.)	5	—
Grievances resolved through remediation (%)	100 %	— %

Active community engagement

Consultations with local communities around Exploration & Production assets

	2023	2022
Assets in local communities (no.)	3	3
Assets in which there was consultation with the local community (%)	100 %	100 %
Projects in progress (no.)	8	8
Projects in progress in which there was consultation with the community (%)	100 %	100 %