



Compañía  
Logística de  
Hidrocarburos

## Corporate Social Responsibility Report

2011



# Corporate Social Responsibility Report 2011

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## Letter from the Chairman

For the fifth year running, I have the honour of presenting you with the CLH Group Corporate Responsibility Report, this time for 2011. Its aim is to offer our stakeholders detailed information about our activities, and we followed the new Global Reporting Initiative 3.1 guidelines for its preparation.

This report places the accent on the aspects we consider most relevant for our different stakeholders, highlighting our main achievements and also the new challenges we must face in the next few years.

It is, in short, a Report that seeks to provide anyone who is interested, and particularly our shareholders, customers, employees and suppliers, and also government officials and those living in the communities in which we operate, with a better understanding of the actions carried out by the CLH Group where corporate social responsibility is concerned.

One of the most significant milestones of 2011 was completion of the Strategic Plan 2007-2011, which has made it possible for 1.2 million cubic metres of new storage capacity and over 500 kilometres of new pipeline to be added to our infrastructures.

During this year we also completed execution of the Corporate Social Responsibility Outline Plan 2007-2011, which enabled us to implement important initiatives in the area of corporate governance, relations with our various stakeholders, the environment, quality and safety.

Besides this, and with a view to continuing to move forward along the same path, in 2011 we underwent an independent assessment by the rating agency SAM (Sustainable Asset Management), in order to identify new challenges and opportunities in corporate social responsibility and sustainability matters and be able to incorporate them into the new Corporate Social Responsibility Outline Plan 2012-2016, which we are currently working on.

This analysis was of particular importance to us, as it allowed us to compare our way of acting with the best practices in companies the world over, and we achieved the highest score in our sector, being placed in the SAM "Silver Class" category.





We also made important progress in our ongoing commitment to quality and continuous improvement with the achievement of over 600 points in the self-assessment process for the European Excellence 500+ Seal, which was validated by approved external assessors.

Another important step forward was the consolidation of our Code of Conduct and the creation of a specific channel, which is managed by the CLH Group Ethics Committee, for processing all communications and consultations related to the application of this Code.

On the other hand, we obtained renewal of the EFR certificate for reconciling work and family life which is awarded by the +Familia Foundation, this time improving considerably on the initial certification as we were awarded the “B-proactive company” rating.

We also launched the “Supera-T” (Excel yourself) project, which integrates the different competency models existing in the company with the leadership model, the values and strategy of the CLH Group.

Highlights in the environmental field include the renewal of ISO 14001 certification and the investment of over 10 million euros in various projects related to environmental protection, besides the creation of the Energy and Environmental Sustainability Foundation in association with other companies in the Spanish energy sector.

The commitment to occupational health and safety has been another of our priorities during 2011. Proof of this is the award of the OHSAS 18001:2007 certificate for CLH and CLH Aviación, as well as the creation of the annual “Zero Accidents” prize and the continued reduction of the accident frequency rate.

Lastly, and in the context of our sponsorship and social action programme known as “Together, we move our most valued energy”, we should mention the signing of a collaboration agreement with the Realmadrid Foundation and San Fernando de Henares Town Council for the creation of a social integration school in this town, and our participation in various social action projects in which CLH Group employees do volunteer work.

I sincerely hope that this Report will help to give you a better understanding of our commitment in matters related to corporate social responsibility and sustainability, and also the new challenges we must face in the next few years with a view to fostering sustainable economic development.

**José Luis López de Silanes**  
Executive Chairman

# Corporate Social Responsibility Scorecard

	2009	2010	2011
<b>Economic dimension</b>			
Operating profit (thousands of euros)	223,467	226,015	231,859
Net profit (thousands of euros)	177,664	151,185	162,763
Operating revenues (thousands of euros)	591,707	585,922	615,747
Economic value distributed (thousands of euros)	579,818	510,408	511,737
Operating expenses (thousands of euros)	368,240	359,907	383,888
Investments (thousands of euros)	137,738	120,288	108,873
Dividend (thousands of euros)	224,173	155,257	116,297
Total Assets (thousands of euros)	1,899,643	1,952,939	1,952,012
<b>Activity Data</b>			
Withdrawals from Facilities (thousands of tons)	36,989	36,797	35,300
Withdrawals by land sector operators (thousands of tons)	31,404	30,931	35,327
Withdrawals by aviation sector operators (thousands of tons)	4,123	4,296	4,468
Withdrawals by marine sector operators (thousands of tons)	1,462	1,570	1,818
<b>Activity in transport systems</b>			
Oil tankers (thousands of tons)	2,319	2,183	2,581
Pipelines (thousands of tons)	22,704	22,368	21,365
<b>Material resources</b>			
Number of storage facilities	37	38	38
Number of airport facilities	29	29	28
Number of chartered oil tankers	2	2	2
<b>Number of customers and survey assessment</b>			
Number of CLH customers	35	33	43
Number of CLH Aviación customers	10	10	12
Average assessment by CLH customers	3.2	Survey not carried out	3.1
Average assessment by CLH Aviación customers	3.31	Survey not carried out	3.23

	2009	2010	2011
<b>Social dimension</b>			
Number of employees	1,678	1,673	1,635
Average employee age (years)	46.5	45.6	44.9
Average employee length of service (years)	21	20	18
Staff turnover (undesired staff loss) (%)	0.2	0.4	0.7
Investment in training (euros)	1,005,511	1,010,945	1,025,663
Average hours of training	37	33	36 (men) and 50 (women)
% of employees receiving a formal assessment of performance	34%	34%	33% (men) and 34% (women)
% of employees covered by collective bargaining agreements	87%	87 %	87%
Total accident frequency rate (CLH Group TFR)	14.09 (men) and 12.81 (women)	13.26 (men) and 5.13 (women)	7.65 (men) and 5.04 (women)
Safety training (Hours)	12,033	12,945	14,129
<b>Environmental dimension</b>			
Environmental investments (millions of euros)	7.9	13.9	10.6
Primary energy consumption (Gigajoules/year)	438,663	484,079	503,218
Electric energy consumption (Gigajoules/year)	945,321	932,269	967,708
Water consumption (m³)	191,095	165,590	132,334
SOx emissions (tons)	272	351	270
Volatile organic compound emissions (tons)	541	510	353
Particle emissions (tons)	19	21.9	21.4
NOx emissions (tons)	290	339	303
Hazardous waste generation (tons)	3,682	3,484	4,604
Non-hazardous waste generation (tons)	283	97	419
CO <sub>2</sub> emissions (tons)	31,015	34,443	35,398
CO <sub>2</sub> emissions in road transport (tons)	5,845	3,996	6,040
Spills that affect the environment	3	1	1



## Important milestones in 2011

*Every year, the values of the CLH Group are reflected in the milestones of its different spheres of management*

### Commitment to safety

#### *Award of OHSAS 18001 standard certification*

CLH obtained certification according to the 18001:2007 standard for its Health and Safety Management System. This certification, which is considered to have the highest possible international standards on occupational risk prevention, confirms the effort made by the company to achieve a safe and healthy work environment, identifying and controlling health and safety risks and thereby reducing the potential for accidents.

#### *Recognition given to the safest facilities and companies*

During 2011 prizes were awarded to the 16 Group centres that have not reported any occupational accident for five consecutive years. In addition, the annual "Zero accidents" prize has been created, in recognition of the partner companies that have signed up for the CLH safety commitment.

*Participation in conferences and events related to safety*, such as the conference on fire organized by "Fundación Fuego", in which topics covering self-protection and a fast, safe, effective response to incidents were discussed. Also during 2011, a fire extinguishing drill was carried out at Alicante airport in which the AENA (Spanish Airports and Air Navigation Authority) fire brigade and SIS, the company that provides the into-plane fuel service together with CLH Aviación at this airport, played a part.

#### *Dissemination of the commitment to safety through various platforms*

To celebrate World Day for Health and Safety at Work, CLH distributed among everyone in the company a copy of the book entitled "The Great Silence" by Joan Junyent, an engineer specializing in occupation risk prevention. On the other hand, it also published a video on basic training in safety and environmental matters in order to convey a series of basic guidelines on prevention matters to outside companies.

## Improvement to the facilities and services in order to adapt them to the new customer requirements

### *Culmination of the Strategic Plan 2007-2011*

The CLH Group completed execution of the Strategic Plan 2007-2011, which enabled it to incorporate 1.2 million cubic metres of new storage capacity and increase its pipeline network by 523 kilometres of pipeline

### *Start-up of new facilities*

The CLH Group brought a new storage facility into service in Burgos which involved an investment of over 29 million euros. This new facility operates around the clock for 365 days a year and receives an average of 90 tank trucks per day and around 26,000 per year, which distribute the fuel to filling stations and other consumers in the area.

### *New vessel discharge area at the storage facility in Castellón*

This new berthing and discharge point helps to reinforce the security of fuel supply since it permits diversification of the possible points of entry for oil products into the CLH logistics network.

### *A storage contract is signed with the agency that manages Irish strategic reserves*

In 2011, the CLH Group signed a contract with the National Oil Reserves Agency (NORA), which is the agency that manages Irish strategic reserves, for storing part of the oil products that the above-mentioned organization manages. This contract falls within the framework of the CLH activity for providing strategic storage services to oil product agencies and operators in European countries.

### *Quality certification from the Port Authority of Barcelona*

In 2011, the CLH facility in Barcelona obtained the quality certificate conferred by the Port Authority of Barcelona (PAB) after the pertinent audit prepared by AENOR, the Spanish Association for Standardization and Certification, had been carried out. This award recognizes that the company complies with the quality, safety and environmental requirements included in the Bulk Liquids Manual published by the PAB.

### *New facilities adapted for bioethanol storage and distribution*

During the 2007-2011 period the CLH Group invested over 25 million euros on adapting several facilities for supplying diesel with biodiesel and gasoline with bioethanol, in order to meet the new market requirements.



## Fostering of sustainability and environmental protection

### *An agreement on good environmental practices is signed with the Port of Motril*

This is the first agreement of its kind to be signed in Spain and commits CLH to certifying, through periodic controls, that it complies with the strict controls established by law.

### *Participation in the creation of the Energy and Environmental Sustainability Foundation*

Together with other companies in the Spanish energy sector, the CLH Group has started up the Energy and Environmental Sustainability Foundation, a new centre for researching and analysing economic, environmental and social aspects related to the production, supply and use of the energy necessary for maintaining the development and wellbeing of present-day and future society.

### *Offsetting emissions*

CLH was one of the companies to participate in the first tree planting event in "Madrid Compensa", a project organized by Madrid City Council that seeks to offset part of the greenhouse gas emissions that are generated in the city.

### *Second prize for the "best project for sustainable development" in the European Environmental Awards*

Recognition has been given to the CLH Group for the activities carried out for the dismantling and landscaping work done on the land formerly occupied by the old storage facility in Muskiz (Biscay), which made it possible to recover the marshland at the mouth of the River Barbadún, a 180,000 m<sup>2</sup> area with high ecological value.

## Promotion of the reconciliation of work and family life and responsible management of the workforce

### *Creation of a specific area on the corporate portal that is devoted to the reconciliation of work and family life*

The CLH Group has started up the “EFR Space” on its corporate portal. This is a specific area devoted to reconciliation, to make it easier for everyone in the organization to access information about the social advantages and benefits they can benefit from in order to improve the balance between their personal and professional lives.

### *Collaboration with the University for Parents*

The CLH Group facilitated the enrolment of all the company people who requested this in the 2011-2012 academic year. According to the terms of this agreement, CLH subsidised 50% of the training cost and those interested.

### *Renewal of EFR certification*

The CLH Group renewed its EFR reconciliation and equality certificate, which is awarded by the +Familia Foundation, after successfully passing the audit carried for the purpose by AENOR. The company obtained a “B-proactive company” rating, two levels above the initial certification (“C-committed company”).

### *Launching of the “Supera-T” (Excel Yourself) project*

This project integrates the different existing skills models with the CLH Group model for leadership, values and strategy. A video was also published giving a summary of the philosophy of this plan in which a dozen employees explained what the different CLH Group skills consisted of.

### *The CLH and CLH Aviación Collective Bargaining Agreements and the anti-harassment Protocol are signed*

The company and workers' representatives on the CLH and CLH Aviación negotiating committee signed the new Collective Bargaining Agreements on 5 May and 19 July 2011, respectively. At the same signing events, the Equality Plan and Action Protocol for preventing harassment in the workplace were also signed.

## Recognition from stakeholders

### *Analysis by SAM of the company's CSR practices*

The CLH Group was awarded the maximum score in the pipelines sector by the rating agency SAM (Sustainable Asset Management) which is responsible for assessing the companies that apply for inclusion in the Dow Jones Sustainability Index.

### *Ten slots higher in the 2011 MERCO report*

The CLH Group has been moved up to 60<sup>th</sup> place in the 2011 Merco Companies report. This report analyses 637 companies from different sectors, and executives, NGOs, consumer associations, financial analysts, trade unions and economic journalists take part. In addition, the classification is made by taking into account business qualities such as ethical conduct, transparency, commitment to the environment or staff management.

### *Awards for excellence*

the CLH Group was awarded different prizes throughout the year in recognition of the quality of its activities, such as the Business Excellence award in the 21<sup>st</sup> edition of the Executives prizes, and also the Excellence Award, in the Efficiency category, which was given by "Dirigentes" magazine. The company was also given the prize for the best logistics initiative in the 13<sup>th</sup> edition of the El Vigía Group awards, in recognition of the "quality and flexibility of its services, and also the commitment to internationalize its logistics operations".

### *Maximum rating given by the JIG for the airport facilities in Madrid and Barcelona*

The CLH Aviación facilities at Barajas and El Prat airports were rated as "Excellent" by the Joint Inspection Group (JIG), in recognition of the work done to meet the highest operating standards at an international level. The JIG also examined the fixed facilities and the into-plane fuel supply service at Palma (Majorca), Malaga and Alicante, which were also given a high rating.

### *Prize for recovery of the Historical Archive*

the Spanish Association of Telecommunications Users and the Information Society awarded the 2011 Autelsi Prize to the recovery and web publication of the Historic Archive of Hydrocarbons, an initiative promoted by the National Energy Commission, CLH and the Madrid Business Confederation-CEOE, with the support of the Foundation for Environmental Development and Research-FIDA.



## Relations with stakeholders through different platforms and activities

### *Creation of a social integration school*

The CLH Group signed a collaboration agreement with San Fernando de Henares town council and the Realmadrid Foundation for creating a social integration school in this town. This football school will benefit 100 children aged between 16 and 14 years, half of whom are immigrants or at risk of social exclusion and who will not be paying any enrolment or monthly fees.

### *"We Move Energy" Exhibition":*

The CLH Group successfully ended the "We Move Energy" travelling exhibition that spent three months visiting 27 towns across Spain where the company operates infrastructures. The exhibition was attended by over 9,000 people and gave them the opportunity of getting to know more about CLH at a local level.

### *Visits to our facilities*

During 2011, the CLH Group was visited by various dignitaries and members of bodies from the political world, such as the Secretary of State for Research; the Secretary of State for Energy; the Director General of Energy and Mining Policy; the President of La Rioja, the Minister of Presidency, Public Administrations and Justice of the Autonomous Region of Galicia, the Mayor of Mérida, the Chairman of the Madrid Chamber of Commerce, and the Chairwoman of the Madrid Assembly, Elvira Rodríguez, among others.

## Innovation as an essential building block

### *A push for aviation biofuels*

The CLH Group joined forces with another 12 companies in the sector in the government-led initiative for promoting the production and consumption of aviation biofuels. The aim of this project is to reduce air traffic emissions and achieve a diversification of raw materials.

### *Participation in the 20<sup>th</sup> World Petroleum Congress in Qatar*

At this congress, the chairman of the CLH Group, José Luis López de Silanes, gave a talk in a session entitled "Innovation and Technology in the refining and distribution of oil products", in which he explained the company's activity and gave details of how its logistics system operates.

### *Hydrocarbon Metrology Classroom Laboratory*

During 2011, a new Classroom Laboratory was inaugurated at the School of Mining Engineering in Madrid, sponsored by the CLH Chair in Hydrocarbon Metrology. This new space makes it possible to combine theory classes with practical teaching in metrology and industrial calibration.

# 1. The CLH Group

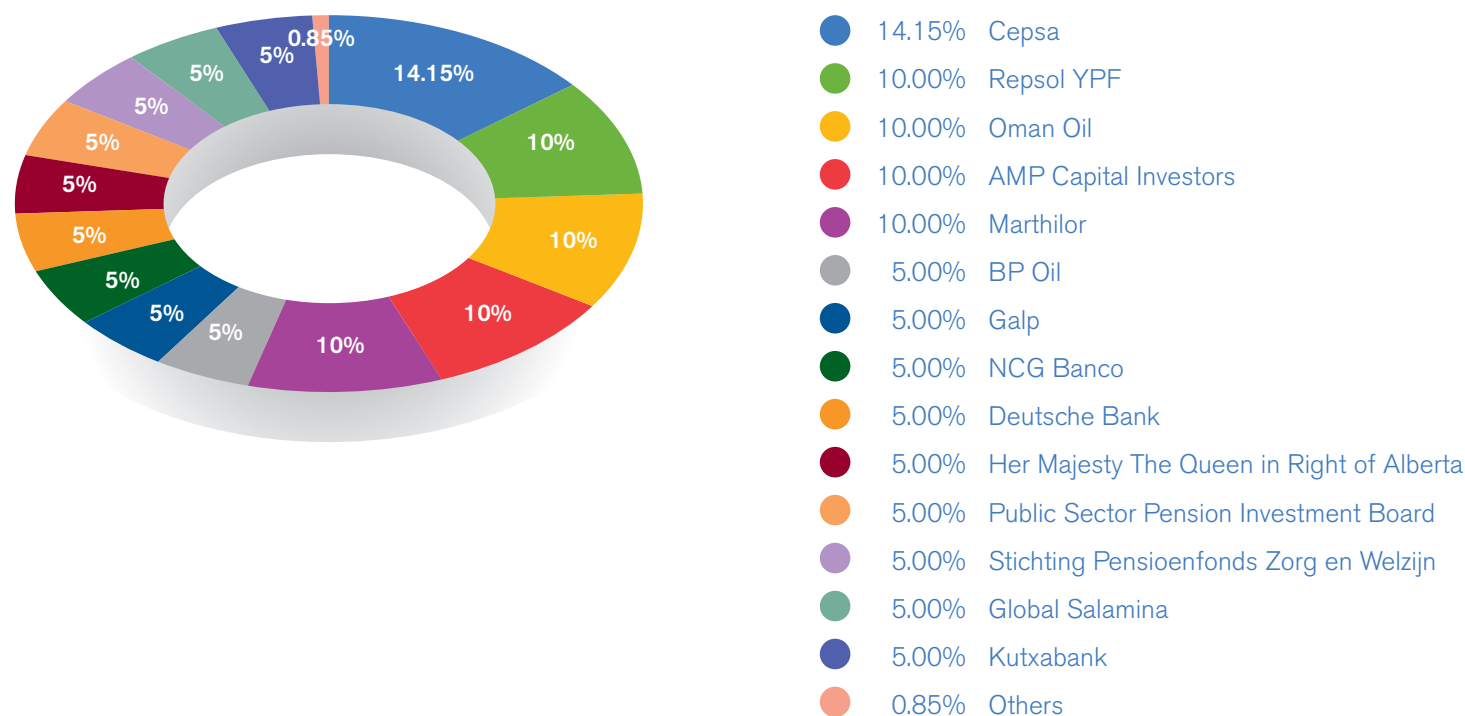
## 1.1. Company profile

The CLH Group, which is made up of Compañía Logística de Hidrocarburos and its subsidiary CLH Aviación, is the leading company in the transportation and storage of oil products in the Spanish market and has worked for over 80 years to bring this energy closer to society, guaranteeing a continuous, safe and sustainable supply.

In order to carry out its activities, it has one of the largest and most efficient integrated oil product transportation and storage networks in the world, which consists of over 4,000 kilometres of pipeline, 38 storage facilities and 28 airport facilities. These infrastructures are available to all oil product operators doing business in Spain, airline companies and national and international bodies responsible for the management of strategic reserves, such as Corporación de Reservas Estratégicas de Productos Petrolíferos (CORES), the public agency responsible for Spain's strategic oil reserves.

Quality, efficiency and continuous improvement form part of the CLH Group commitment in the performance of its activities. Throughout its history the company has adapted to new market circumstances in order to guarantee the supply of fuels to society, offer its employees a satisfactory work environment, its shareholders a suitable return on investment and its customers an excellent service.

## 1.2. Shareholding structure of the company



### 1.3. The company's areas of activity

The CLH Group carries out its activity in two main areas:

- CLH: transports, stores and distributes oil products, mainly gasolines, diesels, kerosenes and fuel oils.
- CLH Aviación: offers services for the storage, distribution and into-plane supply of aviation fuels and lubricants.

#### Basic logistics activities

The CLH Group has over 4,000 kilometres of pipeline through which it connects the eight fuel-producing Spanish refineries that exist in the Peninsula, and the major receiving ports, with most of its storage facilities.

The few plants that are not linked up with this pipeline network and the ones located in the Balearic Islands are supplied by means of tankers that are on charter from reputable shipowners that offer full guarantee, while the medium-sized and small airport facilities are supplied by means of tank truck.

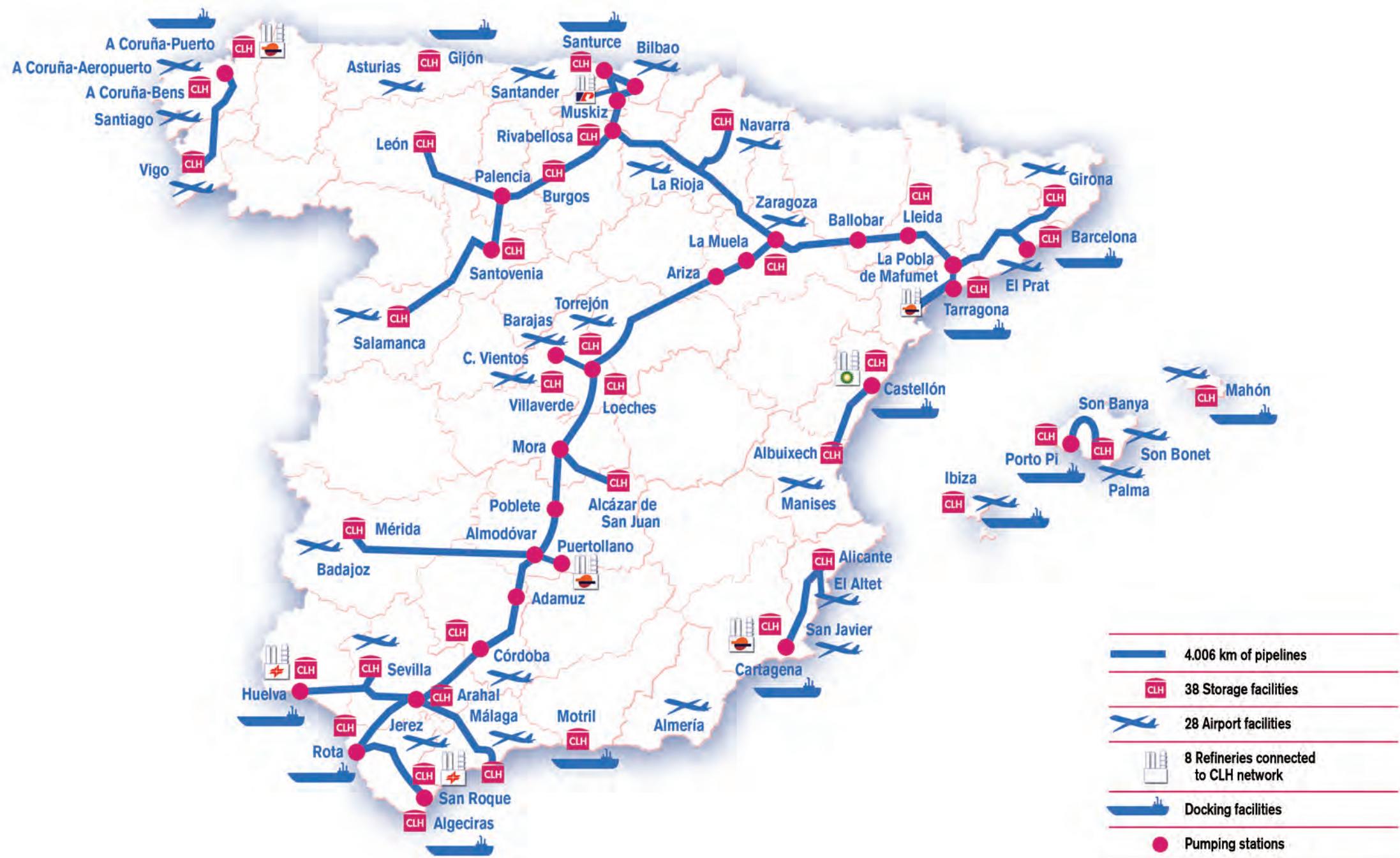
During 2011, deliveries of products from the company's facilities totalled 35.3 million tons of oil products, mostly gasolines, diesels, fuel oils and aviation kerosene.

The CLH Group has at its disposal 38 storage facilities that are distributed across the Spanish territory of the Peninsula and the Balearic Islands, with a fuel capacity of 7.8 million cubic metres, and most of them are operational around the clock for 365 days of the year.

The company also offers instantaneous product accreditation. This means its customers can make use of their products at different destinations immediately after they have delivered them at a source facility that is a long way away from the destination facility.

Another of the company's activities is the incorporation of the additives and markers required by current legislation, and also those developed by the different operators for improving or differentiating the quality of their oil products.

## Logistics infrastructure







## New business areas

### *International expansion*

CLH is committed to a growth and sustainability model in which internationalization plays a basic strategic role. The company's international expansion model addresses both growth through building or acquiring logistics assets and the provision of advisory services that are based on the know-how that has been developed throughout the 80+ years it has been present in the sector.

### *Strategic and security storage*

The CLH Group rents out part of its storage capacity to agencies that manage strategic reserves of oil products and to the operators themselves, to enable them to maintain the security stocks required by law.

The company holds a contract signed with Corporación de Reservas Estratégicas de Productos Petrolíferos (CORES) and in 2011 it signed a contract with the agency that manages Irish strategic reserves (NORA) for storing 60,000 cubic metres of gasoline at its facilities, this figure being equivalent to 10% of the Irish reserves of this fuel.

### *Biofuels*

The company's logistics system is adapted for the storage and transportation of diesel with biodiesel and gasoline with ethanol, with a view to meeting the new market requirements and contributing to the development of renewable energies.

During 2011, CLH distributed over 1.8 million cubic metres of biofuels, of which 1.5 million cubic metres were biodiesel and 0.3 million cubic metres were bioethanol in the form of ETBE (ethyl tertiary butyl ether).

## Other activities

### *Supplies to aircraft*

CLH Aviación has 28 airport facilities located at the majority of Spanish airports and offers storage, distribution and into-plane supply services for aviation fuels and lubricants.

During 2011 it performed over 400,000 aircraft supply operations and placed over 3 million cubic metres of aviation fuel aboard planes.

CLH Aviación also provides advice and technical assistance for the installation and maintenance of distribution networks for various types of aviation fuel. The CLH Aviación facilities are equipped with technologically advanced resources that guarantee product quality and safety in supply operations.

### *Service station maintenance*

CLH provides technical assistance and undertakes integral maintenance work for service stations. It also carries out remodelling and refurbishment work to bring them into line with current legislation. During 2011, the company continued providing its services to a large number of service stations that includes filling stations, yachting harbours and railway stations.





## Metrology

The CLH Metrology Unit provides services for the calibration, verification and adjustment of equipment that measures the volume, temperature, pressure and density of oil products, in order to guarantee the reliability of the quantities supplied to the end customer.

This work is carried out at the Metrological Verification Laboratory in Loeches (Madrid), that is accredited in the area of calibration by the Spanish accreditation body ENAC, and one of the most complete and complex in Europe. This Metrology Laboratory is an international benchmark in its field, and designs and manufactures most of the systems it uses for carrying out these controls. During 2011 this Unit performed over 3,500 calibrations.

## Laboratory

CLH operates a network of laboratories that has over 60 years' experience and enjoys great prestige in the sector, and consists of seven centres that are coordinated from the modern Central Laboratory in San Fernando de Henares (Madrid).

The main activities focus on the quality control analyses established in fuel and biofuel specifications, and on researching into incidents occurring in logistics and in the market. It also carries out environmental tests and testing of

the characterization and conduct of materials and additives using instrument-based analytical techniques.

This laboratory is fitted with equipment for fuel characterization that is practically unique in the sector. It also has a sophisticated samples and results management system that is integrated into the CLH systems, thereby making it possible to control and make instantaneous exchange of information regarding the characteristics of all products stored and distributed by the CLH network.

The CLH Central Laboratory is the only Spanish laboratory to be included by the FIA (International Automobile Federation) in its list of recognized laboratories for analysing the fuels used in national and international motor racing competitions.

It also holds collaboration agreements with universities and vocational training centres for carrying out research work, organizing specialized courses and for training students during their practical study period. During 2011 over 30,000 samples were received and over 125,000 tests were carried out.

### CLH Group services in figures during 2011

- **35.3 million tons** of oil products transported
- **1.8 million cubic metres** of biofuels distributed
- **400,000 aircraft supply operations**
- **3,500 calibrations** at the Metrology Unit
- **30,000 samples** received and **125,000 laboratory tests**



## 2. Good Governance and Integrity

### Our Approach

*With a history of over 80 years, it is the wish of the CLH Group to be recognized not only as the leading company for oil product transportation and storage in the Spanish market, but also to be known for its comprehensive, transparent business model.*

### 2011 milestones

- Modification of the regulation of the Audit Committee, contained in the Articles of Association and the Regulations of the General Meeting, to adapt this to the amendment of the Securities Market Law, the recommendations on Good Corporate Governance and to the functioning, in practice, of this Committee.
- The Protocol for Action to prevent and combat harassment at work was signed with the CLH Group employee representatives.
- Implementation of an Internal Control System over Financial Reporting.
- Approval by the Board of Directors and publication, through the Annual Report for 2011, of the report issued with the aim of assessing the functioning and quality of the work done by the Board of Directors, the Audit Committee and the Appointments and Remuneration Committee during 2011.

### Challenges posed for 2012

- Submission of the annual report for 2011 on the remuneration of the directors to the vote of the 2012 Ordinary General Meeting of Shareholders.
- Determination, through resolution of the Meeting, of the www.clh.es website as the Electronic Headquarters of the Company.
- Development of an internal control system for the prevention and detection of criminal offences committed in the company.

### Degree of compliance with the challenges posed for 2011

#### Degree of compliance

Achieved

In progress

Not started

### Actions carried out for achieving these goals

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>Dissemination of the Code of Conduct.</li> </ul>          | <ul style="list-style-type: none"> <li>Circulation of the Code of Conduct through the website and the corporate portal, through the creation of a specific section.</li> <li>Distribution of the Code of Conduct through its personal delivery to all Company employees.</li> </ul>  |
| <ul style="list-style-type: none"> <li>Implementation of the Code of Conduct Mailbox.</li> </ul> | <ul style="list-style-type: none"> <li>Setting up of the Code of Conduct Mailbox as a communication channel. The website and corporate portal can be used for asking questions and reporting on alleged breaches, including workplace harassment and potentially far-reaching irregularities at a financial and accounting level.</li> </ul> |



## 2.1. Corporate governance model

The corporate governance practices of the CLH Group are geared towards achieving the strategic objectives of the company through the adoption of the best practices in listed companies.

### Internal Regulations on Good Governance

- Articles of Association.
- Regulations of the General Meeting of Shareholders.
- Board of Directors' Regulations.
- Internal Regulations for Conduct in the Securities Market.

During 2011, the CLH Group has followed the recommendations for good governance included in the Unified Code of Good Governance, which was approved on 22 May 2006 by the Spanish Securities and Investments Board, without prejudice to the special features that stem from the company's ownership and administrative structure. In this respect, the maximum level of participation that the shareholders have in management of the company is worth mentioning since the Articles of Association establish that every shareholder with a shareholding stake of 5% or more is guaranteed a presence on the Board of Directors, which means that practically all the shareholders, which is currently 99.15% of the share capital, is directly represented on this body.

On the other hand and as mentioned earlier, the Ordinary General Meeting of Shareholders held on 31 May 2011 approved the modification of the Articles of Association and the Regulations of the General Meeting with the aim, besides adapting both texts to the provisions of the new Capital Company Law, of adapting regulation of the Audit Committee to the amendment of the Securities Market Law, the recommendations on good governance and the functioning, in practice, of this Committee. Also, the Board of Directors approved modification of the Board of Directors' Regulations with the same purpose in mind.

The dissemination of corporate governance contents is a priority for the CLH Group, and for this reason the use of its website ([www.clh.es](http://www.clh.es)) as a platform for accessing these contents and ratifying the company's commitment to transparency has been increased. The website is provided with a specific section called "Information for Shareholders and Investors", where detailed information on the following areas can be consulted:

- Share capital structure and the company's shareholders.
- Functioning of the General Meeting of Shareholders.
- Composition and duties of the administrative bodies.
- Corporate governance regulations.
- Relevant information of interest regarding the CLH Group.



Lastly, it should be mentioned that the administrative structure of the CLH Group is regulated by the Articles of Association and guarantees the presence of representatives of the vast majority of the shareholding body on the Board of Directors. This means that actions for consultation with the shareholders promote a free-flowing dialogue that has a direct effect on the processes for decision-making by the supreme administrative body of CLH.

### General Meeting of Shareholders

The General Meeting of Shareholders is the supreme governing body of the company and holds powers for deciding on the matters that affect the company and which are not attributed by law or by the Articles of Association to the authority of another company body.

This body meets, of necessity, within the first six months of each calendar year in order to assess the performance of the company, approve the annual accounts and decide on allocation of the results. The organizing and running of the General Meeting and the shareholders' exercise of their rights at the time it is convened and held, are regulated in the Regulations of the General Meeting of Shareholders, which complete the provisions of the law and the Articles of Association.

### The Board of Directors

The Board of Directors holds powers on matters relating to management of the company and acts as its representative. With the exception of matters that are set aside for decision by the General Meeting, the Board of Directors is the supreme decision-making body of CLH.

The criterion applied in the actions it undertakes is maximization of the company value, both in the long and the short term, by administering the company, supervising the development of business activity and assuring its future viability.

Also, its composition, powers and operation are regulated by the CLH Articles of Association and the Board of Directors' Regulations and the Regulations governing Conduct in the Securities Market.

In order to optimize corporate governance, the Board of Directors has set up the complementary administrative bodies that are explained in the following table:

Body	Duties
Audit Committee	<p>To establish relations with the external auditors and supervise:</p> <ul style="list-style-type: none"> <li>• Internal control and risk management systems in the company.</li> <li>• Internal auditing.</li> <li>• Regulated financial information.</li> </ul>
Appointments and Remuneration Committee	<p>To report on or prepare proposals in relation to the appointment and remuneration of:</p> <ul style="list-style-type: none"> <li>• Board members.</li> <li>• Members of Board Committees.</li> <li>• Company executives.</li> </ul>

The Board of Directors' Regulations follow the recommendations of the Unified Code of Good Governance as regards the need for the Board to devote at least one meeting per year to assessing its functioning and the quality of the work it has done. In order to make this assessment, in 2011 the Board issued and approved a report regarding the functioning of the Board itself and that of the Audit and Appointments and Remuneration Committees during financial year 2010. The contents of this report were made available to the shareholders and other stakeholders through the website, [www.clh.es](http://www.clh.es), on the occasion of the Ordinary General Meeting that was held on 31 May 2011.

The conclusions reached in the report were that the functioning and performance of duties both by the Board of Directors and its Committee and by the Executive Chairman, were satisfactory. Aspects of the Board and its Committees, particularly their composition, organization and functioning and duties, were assessed.

As regards diversity of the Board, it is worth mentioning that during 2011 the number of women forming part of the Board of Directors and its Committees has risen to three. The composition of these bodies as at 31 December 2011 is as follows:

#### Board of Directors as at 31 December 2011

Chairman - CEO	Mr. José Luis López de Silanes Busto
Members	Mr. Daniel Micheal Agostino
	Mr. Hamed Sloom Mubarak Al Athobi
	Mr. Ahmed Hassan Al-Dheeb
	Mr. José Eulogio Aranguren Escobar
	Mr. Mario Armero Montes
	Mr. Alfredo Antonio Barrios Prieto
	Mr. João Pedro Leitão Pinheiro de Figueiredo Brito
	Mr. Pedro Fernández Frial
	Global Noray, S.L. (represented by Mr. Miguel Iraburu Elizondo)
	Global Ramayana (represented by Ms. Tanya Covassin)
	Global Winche, S.L. (represented by Mr. Guillermo Briones Godino)
	Kartera 1, S.L. (represented by Ms. Alicia Vivanco González)
	Mr. Stanislav Michael Kolenc
	Marthilor, S.à.r.l. (represented by D. Andrew Liau)
	Marthilores, S.L. (represented by Mr. Mathias Burghardt)
	Mr. Pedro Miró Roig
	NCG Banco, S.A. (represented by Ms. María Victoria Vázquez Sacristán)
	Mr. Juan José Rodríguez Fidalgo
	Mr. Robert Edward Verrion
Secretary	Mr. Luis Valero Quirós

#### Audit committee

Chairman	Mr. Alfredo Antonio Barrios Prieto
Members	Mr. José Eulogio Aranguren Escobar
	Mr. Daniel Micheal Agostino
	Mr. Mathias Burghardt, as representative of the director Marthilores, S.L.
	Ms. Alicia Vivanco González, as representative of the director Kartera 1, S.L.
Secretary	Mr. Luis Valero Quirós

#### Appointments and remuneration committee

Chairman	Mr. Pedro Miró Roig
Members	Mr. Hamed Sloom Mubarak Al Athobi
	Mr. Mario Armero Montes
	Mr. Pedro Fernández Frial
Secretary	Mr. Luis Valero Quirós





At its meeting held on 31 January 2012, the Board of Directors took note of the resignation tendered, for professional reasons, by the director and Chairman of the Audit Committee, Mr. Alfredo Barrios Prieto, Mr. Jorge Lanza Perea being appointed through co-option to cover the vacancy on the Board.

Also at the above-mentioned meeting, the Board of Directors agreed the appointment of Mr. Jorge Lanza Perea as member of the Audit Committee and the appointment of Mr. Mathias Burghardt, natural person representative of the director Marthilores, S.L., as Chairman of the Audit Committee.

### Management Committee

The Management Committee is an internal steering and control body incorporating other lower-ranking committees with powers for controlling certain specific functions.

#### Management Committee

- Human Resources Committee.
- Operations Committee.
- Strategy Committee.
- Ethics Committee.
- Corporate Responsibility Committee.
- Quality Committee.

### Participation in the development of public policies

The CLH Group participates in various important organizations in the oil sector, through which it organizes its position on the different issues of public concern that affect it.

The General Secretary of CLH is a member of the Hydrocarbons Advisory Board at the Spanish Energy Commission, which is the public body that regulates energy systems and is attached to the Ministry of Industry, Tourism and Trade. As a member, he represents the interests of liquid hydrocarbon storage and logistics companies. These companies also defend their common interests through ASTERQUIGAS, the Spanish Association of Bulk Receiver Terminals for Chemicals, Liquids and Gases, to which CLH also belongs.

The CLH Group also holds membership of CEOE, the Spanish Confederation of Employers' Organizations, and is a member of various committees in this body, such as the Committee for Social Responsibility in Business, the Environment Committee and the Energy Committee.



The CLH Group makes its voice heard on the issues that affect it through its membership of the Spanish Energy Club and the Spanish Committee of the World Energy Council. The following are among these issues:

- Projects for regulations relating to the legal specifications of products.
- Biofuels.
- Minimum security reserves.

The CLH Group participates in the Joint Inspection Group (JIG) through CLH Aviación. This is an organization that was created by the majority of the oil companies in order to promote and guarantee quality control and efficiency in aviation fuel facilities, developing a global standardization for good practices in aviation equipment.

CLH Aviación is also a member of IATA, an association created in 1945 to promote and control services linked to airline companies. Its mission consists of representing the industry in order to obtain the improvements that are possible in the present-day global economy, providing its members with professional support.

## 2.2. Corporate culture and integrity

The CLH Code of Conduct was approved by the CLH Board of Directors on 27 July 2010 and notified to the Securities and Investments Board. The Code is published on the [www.clh.es](http://www.clh.es) website and on the Group's corporate portal. It has been in force since the moment it was approved and is applicable to the members of the administrative and management bodies of the company, and to all employees of the companies that make up the CLH Group.

The CLH Group also promotes the code among its suppliers, contractors and collaborators/partners, in order to create a link and provide guidelines for conduct that conform to the principles and values contained in this Code.

The purpose of the Code of Conduct is:

- To endeavour to achieve professional, ethical, responsible conduct on the part of the company's employees in the performance of their activities and discharge of their duties.
- To create a business culture based on the integrity of their conduct that is in keeping with the corporate reputation of the CLH Group.



In accordance with the provisions of the Code of Conduct, an Ethics Committee was set up and held its first meeting on 25 October 2010.

During 2011, the Ethics Committee has undertaken actions to foster a knowledge of the Code of Conduct contents, and for this a specific space has been created both on the website and the corporate portal. Besides this, the Code of Conduct has been distributed to all the employees by means of the personal delivery of a pack that, in addition to the Code, includes the Mission, Vision and Values Policies of the CLH Group.

The Code of Conduct Mailbox has also been made available to all the stakeholders in a specific area of the website and on the corporate portal. This channel is a platform established for sending consultations and clearing up any doubts about this set of rules, as well as for reporting in a direct, safe way on any alleged breach of the principles that form the Code of Conduct including, where applicable, conduct involving workplace harassment and any other irregularity that is noticed. These communications are received by the company's Ethics Committee, which will be responsible for assessing and deciding on the actions required in each case, bearing in mind the nature of the facts that are notified.

During 2011, a consultation was received through the Code of Conduct Mailbox regarding the dissemination among the employees of the Action Protocol signed on 5 April 2011 for preventing and dealing with harassment.

Also, and in compliance with the provisions of article 7.3 of the Protocol, the statistical information regarding the procedure that commenced in 2011 because of a case of harassment reported in the sphere of the company, has been transferred to the Ethics Committee. This particular case ended with the proceedings being filed after the complaint was withdrawn by the employee who reported it.

## Ethics Committee

### Duties

- To establish communication channels with employees for gathering information and incidents.
- Monitoring of implementation and compliance with the Code of Conduct.
- Dissemination and knowledge of the Code of Conduct.

### Composition

- Deputy Audit Manager.
- Director of Human Resources.
- Director of Communication and Institutional Relations (who chairs the Committee).
- Deputy Manager of the Legal Department.



## 2.3. Risk management

The Risk Control and Management System established by the Group is based on the methodology of the Committee of Sponsoring Organizations of the Treadway Commission (COSO II), which covers all relevant areas and processes in each of the Organizational Units. The CLH Group seeks to achieve the following objectives through this methodology:

- To identify and assess the key risks in each business.
- To know the risks that must be assumed and the risks to be avoided for developing the business.
- To draw up the necessary plans of action for reducing the main risks.

In accordance with this methodology, the CLH Group has arranged the risks into four groups:

The company therefore assesses:

- Inherent risks (risk that is present for CLH in the absence of any action taken by the Management for changing the probability of the risk occurring or its impact).

- Residual risks (risk that remains even after the Management has implemented a response to that risk). The most important of these latter risks are related to safety in product storage and transportation, the safety of staff and the environment, solvency and liquidity, the response to crisis situations (e.g. pandemic illnesses) and also risks related to compliance with the targets established in the Group's Strategic Plan.

The company has a risk management procedure that is suited to its activity and its associated risk profile. It has also established continuous monitoring of the risks in each process and Organizational Unit. The Management Committee is notified of their status and management through the communication channels established in the current procedure.

The Management Committee is responsible for proposing to the Board of Directors, through the Audit Committee, the risk profile assumed by the Group, and also for carrying out monitoring of the risks, establishing the appropriate measures for guaranteeing their proper control and management.

### Risks in the CLH Group

- **Strategic risks:** key risks for the company that must be managed proactively and as a priority (e.g. deciding on investments, entering new segments, generational changeover, etc.).
- **Operational risks:** risks that affect operating management, and may come to have a significant impact on Group operations (e.g. system failures, occupational and environmental accidents, shortcomings in the processes, etc.).
- **Reporting risks:** risks that directly affect aspects of information reported to the company and/or third parties (false information given to investors and the shareholder, etc.). This category also includes financial risks (e.g. credit, market, liquidity, etc. risk).
- **Compliance risks:** risks that affect compliance with internal or external regulations in respect of third parties (compliance with safety and environmental rules, tax returns and their payment, compliance with the law on protection of personal data, etc.).



The Risk Map Technical Secretary's Office supports the organizational units in their work for monitoring and control of corporate risks, by ensuring the rules are duly complied with, besides also monitoring, in conjunction with Corporate Auditing, the plans of action established regarding risks until they have been placed at a tolerable level.

This Secretary's Office is also responsible for:

- Integrating risks by taking their interrelationships into account.
- Regular updating of the Risk map.
- Ensuring that information about risks flows in the direction of the bodies responsible for controlling them (Management Committee, Audit Committee and Board of Directors), and from there to the units responsible for managing the corresponding processes or projects.

The most relevant control systems implemented in the organization with a view to reducing risks and achieving the objectives of the Group are summarized in the following table.

Lastly, it must be pointed out that the Technical Secretary's Office assumes responsibility for integrating the risks that make up the Map by taking their interrelationships into account and making a sensitivity analysis for certain risks of a financial kind.

#### Most relevant control systems in the CLH Group

Combined prevention system	<p>Formed by its own prevention service that operates jointly for CLH and CLH Aviación, each assuming its own specialities in Safety in the Workplace, Industrial Hygiene and Ergonomics and Industrial Psychology.</p> <p>There are "designated workers" for isolated cases of assistance on prevention matters.</p> <p>An arrangement with an outside prevention service (Sociedad de Prevención de Fraternidad Muprespa) for technical activities and health monitoring, with a medical coordinator provided by CLH (Manager of the medical service).</p>
Safety Management System	Integrates both occupational risk prevention and industrial safety (currently in the certification phase, by AENOR, for OHSAS 18001:2007), with the aim of "zero accidents".
Environmental Management System	It has environmental criteria at the forefront in all its activities and during their entire life cycle according to the ISO 14001 standard awarded by AENOR.
Integrity Management Plan for infrastructures	The Plan is being prepared according to the API (American Petroleum Institute) Regulations and focuses on storage facilities and pipelines, for carrying out operating work efficiently and safely, including annual monitoring of goals and aims.
Succession and training Plan	A training plan has been drawn up whose aim is for future managers to acquire the competencies and skills required for taking on the new responsibilities assigned to them when they take over from those who are going to retire.
Management of excise taxes	In order to eliminate any error in the application of current regulations and in the corresponding tax return and payment. In turn, management of financial risks, such as those relating to the market, credit and liquidity, is managed through policies that are in keeping with the corporate aims.



### 3. Value generation

#### Our Approach

*The creation of value for its shareholders and the satisfaction of its stakeholders are of key importance to the CLH Group, which undertakes to carry out transparent management based on relations of trust and cooperation.*

#### 2011 milestones

- Adaptation of the Internal Control System over Financial Reporting (ICSFR) to the CNMV recommendations in order to meet the new regulatory requirements.
- Logistics HUB for storage of biofuels in Barcelona.
- Continuity in the policy of competitive prices.
- Start-up of the storage facility in Burgos.
- Contract signed with the agency that handles stocks in Ireland (NORA).

#### Challenges posed for 2012

- Optimization of the processes for managing and processing invoices through their automation.
- Implementation of a new system for managing collection and monitoring customer debt.
- Approval of a new Strategic Plan for the 2012-2016 period.
- Provision of new logistics services.
- Development of internationalization through the provision of services to companies in other countries.

#### Degree of compliance with the challenges posed for 2011

#### Degree of compliance:

- *Achieved*
- ◐ *In progress*
- *Not started*

#### Actions carried out for achieving these goals

- |  |  |
|--|--|
| ● Ending of the Strategic Plan 2007-2011       | ● Investments of around 700 million euros.   |
|  | ● Incorporation of 1.2 million cubic metres of new storage capacity and increase the pipeline network by 523 kilometres. |
| ● Continuation of the competitive price policy | ● Optimization of the functioning of the CLH logistics system to improve its efficiency.                                 |

### 3.1. Economic value generated

The results for 2011 are a reflection of the CLH Group's commitment to keeping up return on investment and the creation of value. The key figures that confirm this fact are the following:

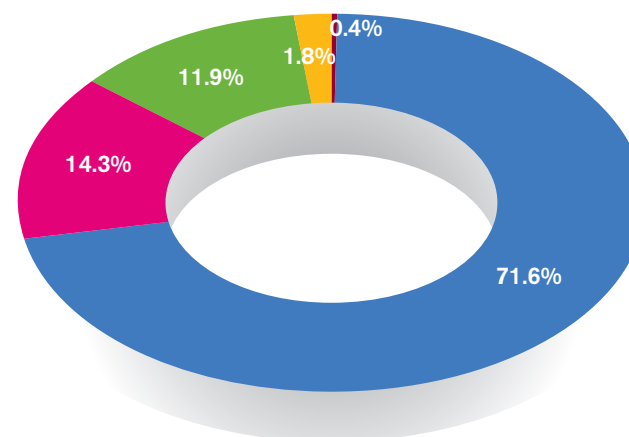
- Operating revenues amounted to 615.7 million euros, 5.1% more than in 2010.
- The investments made for expanding and improving the facilities involved a total of 108.9 million euros in 2011.
- Operating profit totalled 231.9 million euros, representing an increase of 5.8 millions, or 2.6% more.

- The CLH Group recorded a net profit of 162.8 million euros for the year, which is 7.7% more than in 2010. Recurring operating profit and net on financial operations was 5.1 million euros higher than in 2010. Non-recurring operating profit was 8.3 million euros higher than in 2010, due to the fact

that Net profit from the sale of non-current assets was 6.1 million euros more, and the fact that Result of other gains and losses was also higher by 2.2 million.

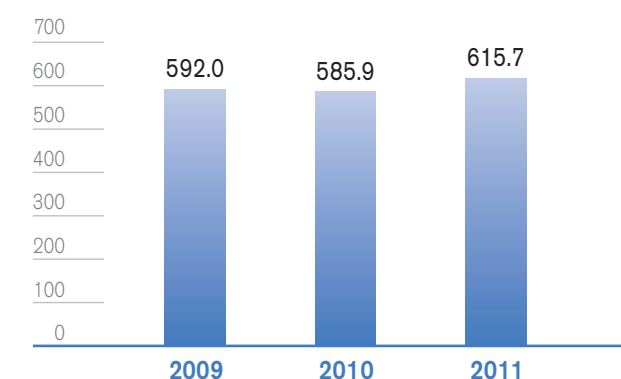
- At year-end 2011, the share list price was 25.34 euros.

Origin of CLH Group Earnings 2011



- 71.6% Land sector
- 14.3% Aviation sector, Airport supply
- 11.9% Aviation sector, Aircraft supply
- 1.8% Marine sector
- 0.4% Charters

CLH Group Evolution of operating income  
millions of €



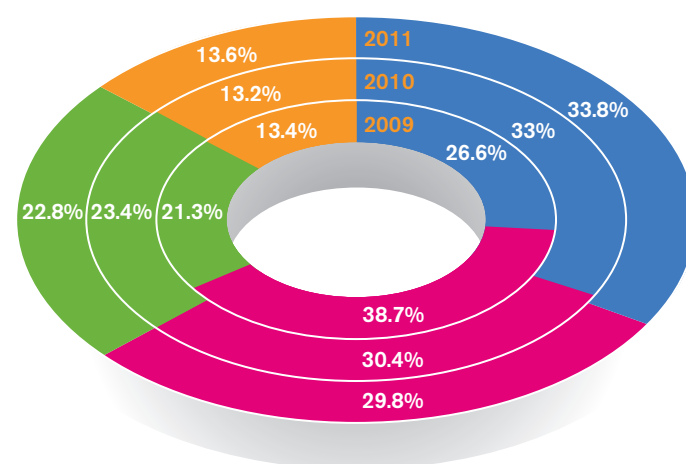
(thousands of Euros)

## 3.2. Economic value distributed

Economic value distributed	2009	2010	2011
Supplies	154,477	168,191	173,129
Remuneration of capital (dividends)	224,173	155,257	152,517
Staff costs	123,708	119,653	116,711
Payments to Governments (taxes+finances)	77,460	67,307	69,380
<b>Added Value</b>	<b>579,818</b>	<b>510,408</b>	<b>511,737</b>
<b>Results for the year</b>	<b>177,664</b>	<b>151,185</b>	<b>162,763</b>

### Economic value distributed

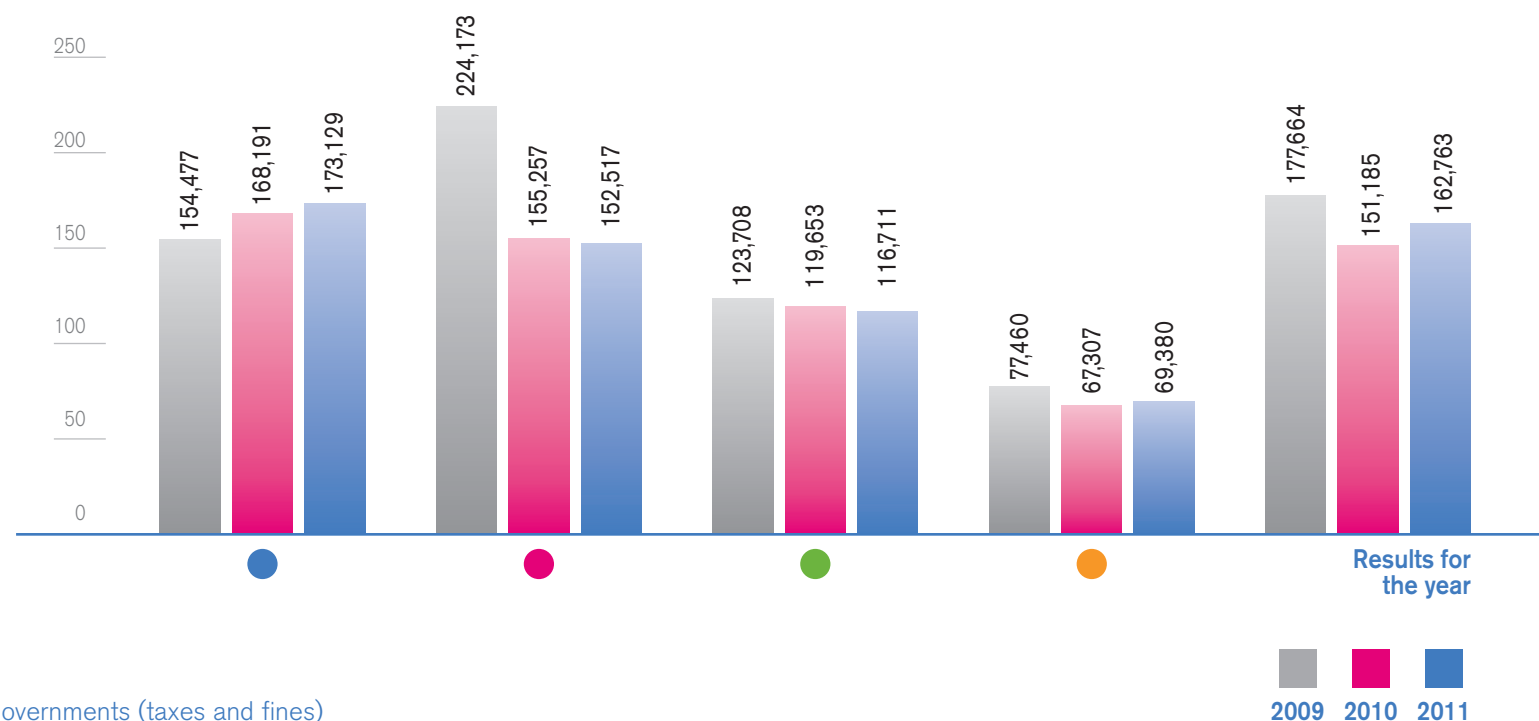
In percentage



- Supplies
- Remuneration of capital (dividends)
- Staff costs
- Payments to governments (taxes and fines)

### Variation in wealth flows 2009-2011

Thousands of euros



- 2009
- 2010
- 2011

### 3.3. Indirect economic value

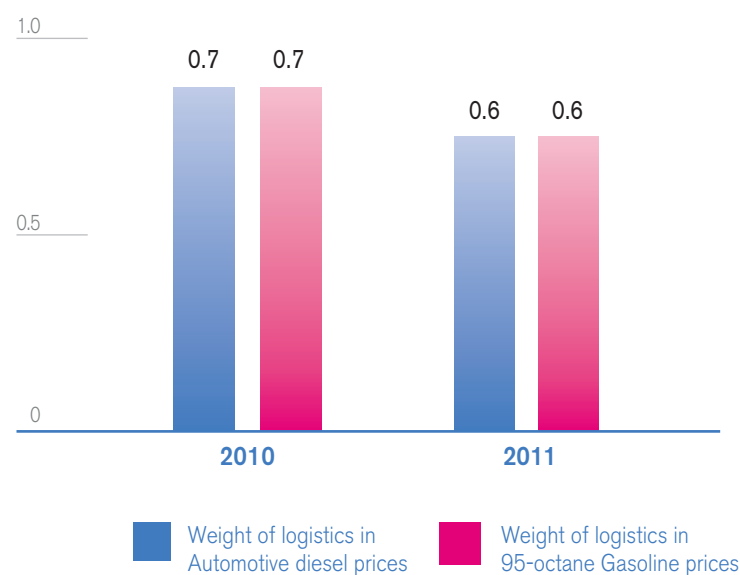
In addition to creating direct economic value, the CLH Group creates indirect economic value in the social setting in which its operations are carried out. The main indirect impacts of the company in 2011 were as follows:

- The CLH Group's oil product logistics system stands out for its integrated nature and an excellent optimization of the use of available assets and resources, providing a high level of safety and efficiency in the storage and transportation of oil products which is beneficial to consumers as a whole.

- The high level of efficiency achieved by the CLH Group in the management of its logistics system means that the average cost of fuel storage and transportation services is less than one eurocent per litre, which means less than 1% of the price per litre of fuel paid by the end consumer.

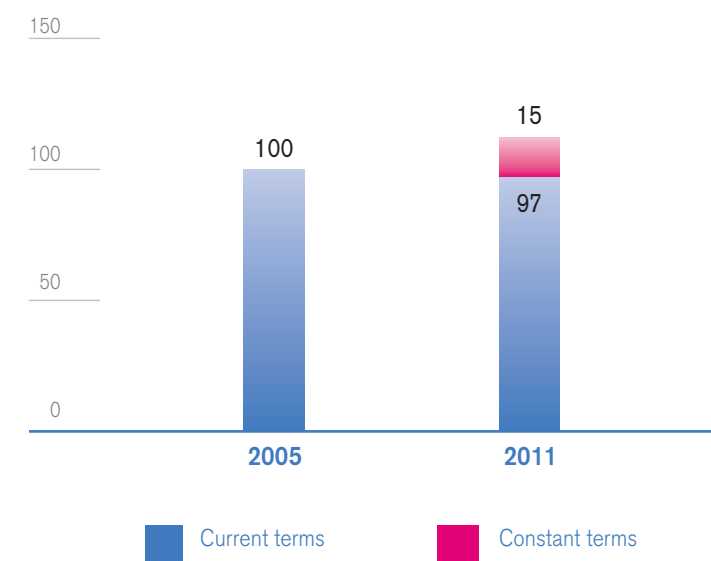
The CLH Group pricing policy has meant a reduction in the price of the company's services in constant terms since 2005, which directly affects the fuel prices paid by end consumers.

**Weight of CLH logistics on the final prices of automotive diesel and 95-octane gasoline in Spain**



*The impact of the CLH service on final prices remains below 1%*

**Index of CLH service prices**  
Index (2005=100)



*CLH has held prices practically constant since 2005*



One of the CLH Group's aims is to make intensive use of the pipeline network in order to minimize transport costs. In this way there is a decrease in transportation by road or sea, which gives rise to a decrease in contaminating emissions. It is estimated that the CLH pipeline network represents a reduction of 360,000 tons of CO<sub>2</sub> emissions released into the atmosphere.

On the other hand, the diversification process started by the company in order to be able to receive, store and dispatch biofuels is making it easier for products of this type to be used nationwide.

Similarly, the adaptation of infrastructures for controlling sulphur content has made it easier to introduce products with low sulphur content which are, therefore, less pollutant.

Lastly, it should be mentioned that the Strategic Plan 2007-2011 was completed successfully in 2011. New storage facilities were opened during this period, which meant the incorporation of 1.2 million cubic metres of new storage capacity and over 523 kilometres of new pipeline that have made it possible for the company to attain the forecast estimates of growth as a whole despite the difficult economic climate of recent years.

### 3.4. Supply chain management

The CLH Group uses management procedures that make it possible for purchases to be made in a rational, efficient, economic way that integrates with the general budgets and corporate purchasing policies. The aims of these policies are:

- To unify purchasing criteria.
- To hire services and make purchases in a way that is transparent and economically efficient.

The Purchasing and Warehouse Unit is responsible for centralized management of purchases at corporate level. Besides this unit, any other unit in the company may hold powers in this area, particularly those which, because their purchases are so specific, have always handled this themselves.

#### Centralized purchasing: characteristics

- Technical specification and use that is standard for the whole of the company.
- Those intended for use in investments for fixed assets.
- Those that have some kind of corporate identification or image.





In addition to centralized purchases, other decentralized or local purchases are also made for the purpose of acquiring goods or consumables for a lower value and which are charged against the expense budget.

The CLH Group has a list of “Approved Suppliers of Materials” which are verified in accordance with the requirements provided for by law. Besides this, regular monitoring is carried out on their reliability through the following parameters:

- Compliance with delivery dates,
- Compliance with the required quality standard,
- Compliance with the required control of quantity.

### Management and approval of suppliers: the RePro system

Both generic information regarding suppliers and the initial requirements for approval are included in the RePro system. This system belongs to the Achilles Group, which specializes in supplier information management. The RePro system was agreed by some of the major Spanish and Portuguese companies that operate in sectors such as electricity, gas, petroleum and water, besides the naval sector, in order to be able to have the use of a tool that enables them to record their suppliers and contractors in a way

that is efficient, permanently updated, objective and non-discriminatory.

With RePro, suppliers register just once for all the user companies in the system. The information provided by the supplier is therefore structured and up to date and is the same for them all. In this way, the regulations relating to classification systems that are established in Law 48/98 on contracting procedures for the water, energy, transport and telecommunications sectors are complied with.

A supplier must first be assessed in order to be approved by the CLH Group. As a general rule, suppliers of critical materials for basic logistics undergo assessment before the first purchase is made and are subjected to continuous assessment after that, with the dual aim of guaranteeing their ability to supply in accordance with the specified requirements and verifying compliance with these requirements over time.

All suppliers and contractors must adhere to the CLH Group safety policy. Safety criteria are therefore used for assessing and selecting the contractors that work for the company, and they are required to comply with the same safety regulations as the company's employees.

### The most relevant contractors were assessed in aspects related to social responsibility during 2011

- Adherence to some international standard in the sphere of corporate social responsibility.
- Corporate social responsibility.
- Prevention of discrimination (on grounds of gender, religion, etc.).
- Freedom of association and collective bargaining.
- Harassment and abuse in the workplace.
- Disciplinary practices.
- Daily working hours.
- Remuneration.



## Communications with suppliers and users

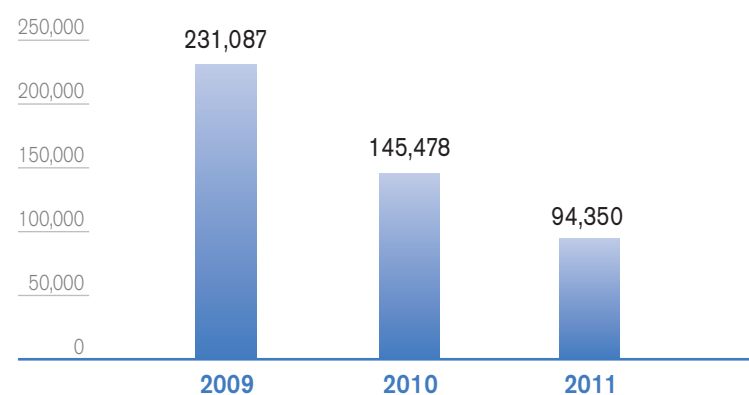
During 2011, the implementation of systems for streamlining communications with suppliers and users placing orders was completed. The orders are sent simultaneously to the supplier and also, for information and follow-up purposes, to the centres requesting materials and equipment through electronic mails in PDF format, therefore remaining accessible for subsequent consultations.

The implementation of this system has speeded up and improved the authorization circuit, attaching the necessary information for this in electronic format for review and possible inspections, besides which paper format is dispensed with. With this in view, the suppliers are required to send technical information, reports, etc. in electronic format and avoid printed catalogues wherever possible.

During 2011, 94.5% of the purchases made by the CLH Group were carried out in Spain. This is because 100% of the company's activities are carried out on Spanish soil, meaning that most purchases are made in the areas where the company operates, helping in this way with the development of the local communities.

## CLH Group awards for purchases of materials and hiring of services

Thousands euros



## 3.5. Petroleum and future energy scenarios

### Key figures in the oil sector according to the International Energy Agency (IEA)

- In 2011 world demand for crude increased by 1.5 million barrels per day compared with the demand in 2010.
- Global demand for crude will increase by 18 per cent between 2009 and 2035.
- 93 per cent of the forecast increase in world demand for primary energy will come from the emerging and undeveloped countries.



According to the World Energy Panorama study, there will be greater demand for all energy sources, ranging from petroleum to the renewable energies. In this respect, world energy demand, particularly for oil and gas, will continue to increase both in the short and the long term and oil prices will increase with it. The increase in crude oil consumption in the emerging countries such as China, India or Brazil, linked with world economic recovery,

caused the International Energy Agency (IEA) experts to revise their forecasts for 2011 regarding demand for hydrocarbons in an upwards direction.

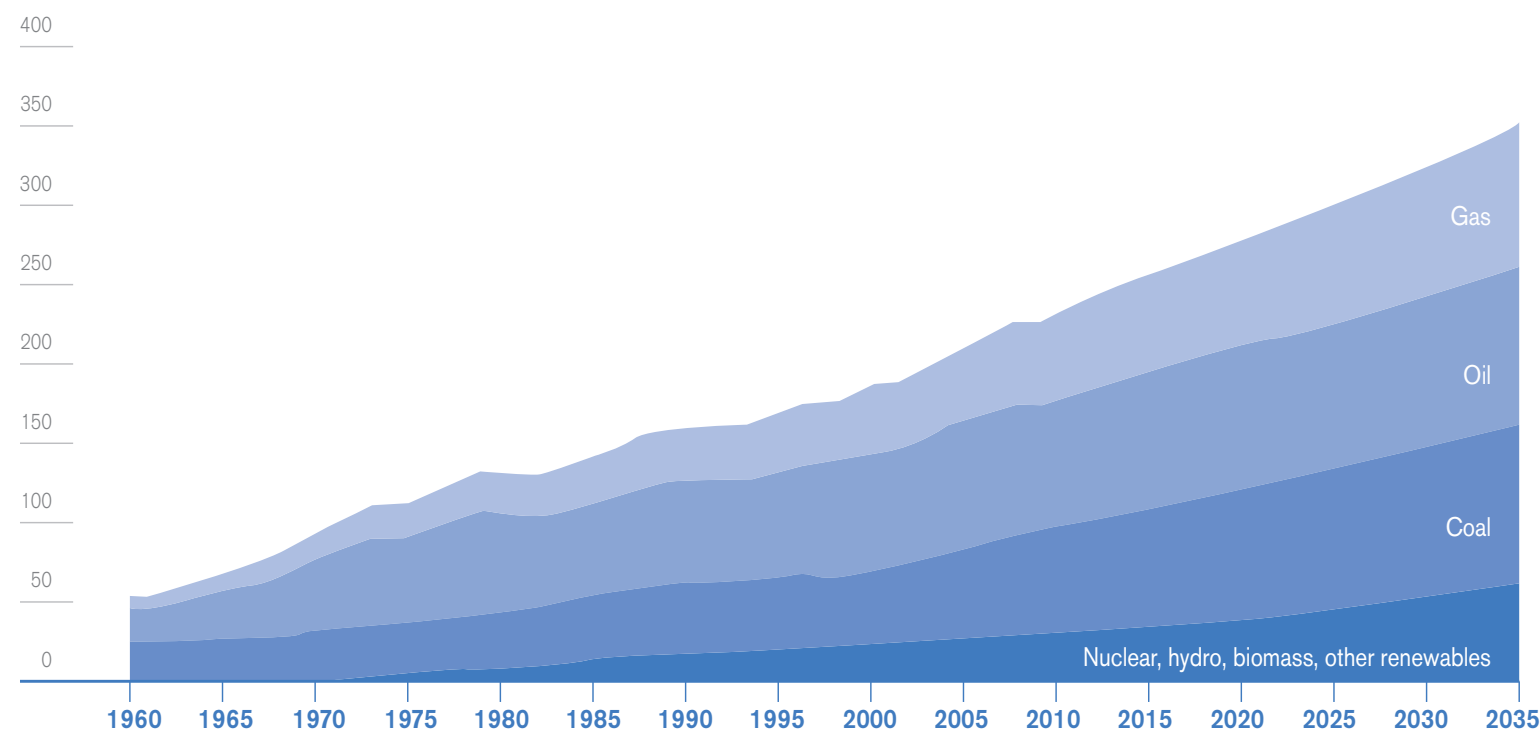
According to the conclusions reached by the IEA, oil will remain as the dominant fuel until 2035 at least, although its weight will be reduced as new methods of energy saving and efficiency are gradually introduced in all countries.

In any case, it is estimated that oil will continue to be key and its price will continue increasing. In the long term, global demand for crude will also increase by an estimated amount of 18 per cent between 2009 and 2035, boosted by consumption in China, and will reach 99 million barrels per day (15 million more than in 2009).

On the other hand, during 2011 the IEA reviewed the system in Spain for situations of emergency response to interrupted supply, and concluded that the CLH Group's logistics system was one of the largest and most efficient integrated oil product transportation and storage networks in the world. In this way, the company helps to guarantee that supply is secure in the places where it operates, and is available to all oil operators that do business in Spain.

#### World supply of primary energy by fuel type

mboe/d



Source: World Oil Outlook 2011 p.50 Organization of the Petroleum Exporting Countries (OPEC)



## a notable case

### Adaptation of the Internal Control System over Financial Reporting (ICSFR) to CNMV requirements.

One of the major projects tackled by CLH during the course of 2011 consisted of optimizing its Internal Control System to meet the new requirements of the control organizations and guarantee proper compliance with the new legislation.

This required defining and implementing the following plans for adaptation in order to document and, where appropriate, improve the internal control systems and therefore facilitate the interpretation, comparison and reliability of the public financial information sent to the Markets:

- 1 Documentation and formalization of business processes considered critical since they have a material effect on the financial statements, giving rise to accounting risk flowcharts, narratives and matrices in these processes.
- 2 Review and development of the rules followed by the company for preparing its Financial Statements, establishing application criteria that make it possible for any consultation of the main accounting principles and practical suggestions for posting both simple and effective.
- 3 Formalization of the responsibility of Internal Auditing in relation to the ICSFR, the code of conduct and the channel for complaints.
- 4 Design of the ICSFR testing plan and Audit Committee assessment activities.

Because of its nature, the ICSFR is subject to continuous supervision and reappraisal so as to adapt it to new circumstances as they arise.



## 4. Corporate Social Responsibility in the CLH Group

### Our Approach

*With a history of over 80 years, it is the wish of the CLH Group to be recognized not only as the leading company for oil product transportation in the Spanish market, but also to be known for excellence in its processes and services and for its contribution to the wellbeing of the societies it serves.*

### 2011 milestones

- Updating of the Corporate Social Responsibility Outline Plan.
- Publication and verification of the fourth Corporate Social Responsibility report.
- Publication and distribution of the new Mission, Vision and Values pack.
- Dissemination of the Code of Conduct.
- Implementation of the Code of Conduct Mailbox.
- First assessment by SAM of CLH Group CSR practices.

### Challenges posed for 2012

- Approval of the new Corporate Responsibility Outline Plan 2012-2016.
- Publication and verification of the fifth Corporate Social Responsibility report.
- Performance of the second Stakeholder Satisfaction Study.

### Degree of compliance with the challenges posed for 2011

#### Degree of compliance:

● Achieved

◐ In progress

○ Not started

- Approval of the new Corporate Responsibility Outline Plan 2012-2016.
- Publication and verification of the fifth Corporate Social Responsibility report.
- Publication and distribution of the new Mission, Vision and Values pack.
- Dissemination of the Code of Conduct.
- Implementation of the Code of Conduct Mailbox.





## 4.1. Corporate Responsibility Strategy

The CLH Group Corporate Social Responsibility model seeks to establish trusting relationships with its interest groups besides aiming to make the company a benchmark in fuel transportation, storage and distribution.

### CSR Outline Plan 2007-2011

- Environmental management and protection.
- Attracting and retaining talent.
- Occupational health and safety.
- Control and safety of the facilities.
- Relations with the community and stakeholders.
- Ethics and integrity.

The 2007-2011 Corporate Social Responsibility Outline Plan consists of six large activity areas and is the CLH Group tool for implementing its policy in this sphere of action.

The Communication and Institutional Relations Management is the unit responsible for ensuring that the CLH Group corporate responsibility strategy is correctly implemented. It is supported in this task by the Management Committee and the Corporate Social Responsibility Committee.

In 2007, the CLH Group became a signatory of the United Nations World Compact, which means that it is committed to supporting and developing the ten principles of this pact relating to respect for human and labour rights, the environment and anti-corruption practices. Because of this, and as part of its commitment, every year the CLH Group prepares a Progress Report in which it reports on the progress made by the company in this field.

### Corporate Responsibility Committee

- To monitor approach and action programmes.
- To promote action plans and inform the company's administrative and management bodies.
- To monitor compliance with outside commitments on the subject.
- To support the Communication and Institutional Relations Management in managing relations with stakeholders.
- To collaborate in the preparation of the Corporate Social Responsibility Report.

## 4.2. Balance of the CSR Outline Plan 2007-2011

With the approval of the first Corporate Responsibility Outline Plan 2007-2011 by the CLH Board of Directors, the promotion of socially responsible actions that provide answers to the expectations of the stakeholders was established as a strategic target. In order to fulfil this aim, the main targets of the CSR 2007 Outline Plan were:

- To establish strategic lines in the company's corporate responsibility.
- To identify the socially responsible actions that provide answers to the strategic challenges the CLH Group is faced with.
- To define the organizational structure that guarantees the proper implementation of the Outline Plan.

In parallel with the development of the Outline Plan, the CLH Group decided to introduce the EFQM (European Foundation for Quality Management) Business Excellence model, with the aim of turning the company into an excellent enterprise.

The implementation of this model seeks to achieve results that are balanced for all stakeholders and gives increasing importance to concepts related to corporate social responsibility, in addition to which it provided the development of the CSR Outline Plan with important synergies, making it possible for significant goals to be achieved in the different areas of activity provided for in the Plan, as well as important external recognitions.

### Environmental management and protection

The CSR Outline Plan 2007-2011 represented consolidation of the CLH Group's Environmental Management System, which was approved in 2006 in accordance with the specifications of the ISO 14001 standard. In the context of this System and with the aim of conducting its logistics activities in a more efficient and sustainable way, the company

has carried out different activities designed to improve the environment. The following stand out among them:

#### *Development of renewable energies*

Between 2007 and 2011, CLH invested 25 million euros on adapting its facilities for the transportation and storage of biofuels, and has carried out the first pilot tests for supplying some of the pipeline valves with solar energy.

#### *Soil decontamination and environmental recovery projects*

CLH has carried out soil decontamination and environmental recovery projects on the land formerly occupied by the old facilities in Valencia, Muskiz (Biscay) and Santurce (Biscay), and has started researching new procedures for soil remediation.



### *CLH Recycles*

Under the motto “We Move for the Environment”, this initiative has involved installing recycling bins for paper, plastic, batteries and other materials at the work centres with the aim of involving everyone in recycling the waste generated in the company.

### *Environmental management system*

In 2008, the company's Environmental Management System obtained the ISO 14001 certificate, which is awarded by AENOR, and two years later successfully passed the pertinent follow-up audit. CLH has also commenced the procedure for membership of EMAS, a European Union regulation that will enable it to strengthen its Environmental Management System.

### **Occupational Health and Safety**

One of the main targets of the CSR Outline Plan has been to make the CLH Group a safer and healthier workplace for everyone who works in it. The company therefore implemented a Health and Safety Management System focused on the elimination, minimization and control of risks, which obtained OHSAS 18001 certification in 2011. The following actions have also been carried out:

#### *“Zero is Possible”*

CLH has organized different awareness-raising activities and campaigns for promoting good practices with the aim of providing its employees with the necessary knowledge for preventing accidents. As a result, the Total Frequency Rate for accidents has been reduced 66.5% in the 2007-2011 period.

#### *Recognition systems*

The company has created a recognition system for the work centres where no occupation accident was reported throughout the year, as well as the annual “Zero Accidents” prize, which rewards the best conduct in occupational health and safety among the partner companies that work for CLH.

### **Relations with the community and the stakeholders**

Another of the targets developed by the CSR Outline Plan 2007-2011 was the improvement in the relationship the CLH Group has with its various stakeholders and with society in general.

#### *“Together, we move our most valued energy”*

The social action plan known as “Together, we move our most valued energy”, has made it possible for CLH to support over 50 initiatives related to the environment, culture, education or social welfare, that are led by different associations and NGOs in which company employees do voluntary work.

#### *Plan for Relations with Local Communities*

CLH started up a Plan for Relations with Local Communities in order to create closer ties with the corporations, bodies and associations in the towns where it operates. The company carried out a study for measuring the level of knowledge and satisfaction among its stakeholders, obtaining a high overall rating of 8 points out of 10. Most of the interviewees defined the company as a safe, environmentally friendly and professional company.



### *"We Move Energy" travelling exhibition*

Organizing the "We Move Energy" travelling exhibition made it possible to bring the company's image closer to citizens and encourage free-flowing dialogue with the stakeholders. The exhibition, which was set up in a specially adapted bus fitted out with panels and screens showing information about the company, travelled to 27 towns and was visited by over 9,000 people.

### **Control and safety of the facilities**

The CSR Outline Plan RSC 2007-2011 also made it possible to carry out different actions for improving the safety of all the facilities, through the use of state-of-the-art technology and the perfecting of processes which resulted, in turn, in improved service quality. The following are among the actions that were launched:

### *Pipelines*

CLH launched a "Pipeline Integrity Management Plan" that makes it possible to carry out a regular and thorough check that all its lines are in perfect condition. Technological improvements were also introduced for improving the management and efficiency of its operations.

### *Risk Control and Management System*

During this period CLH completed the implementation of a Risk Control and Management System, in accordance with the methodology of the "Committee of Sponsoring Organizations of the Treadway Commission" (COSO II), that identifies the risks in each of the business areas and establishes action plans for avoiding them.

### *New central product laboratory*

CLH inaugurated a new Central Product Laboratory that is fitted out with state-of-the-art technology for fuel analysis, and is the only Spanish laboratory to be included among the 42 laboratories authorized for analysing the fuels used in international motor racing championships.

### *R&D&i management system*

The company has certified the R&D&i Management System according to the UNE 166002 standard, and has created the "APORTA" (make your contribution) tool that enables anyone in the company to send improvement proposals through the corporate portal. Over 500 suggestions have been received since this initiative commenced.

### *Quality management system*

The company has continued to update its Quality System, and this has allowed it to develop new equipment and tools and improve safety in all activities. This System is certified according to the ISO 9001 standard, and in 2010 the company successfully passed the pertinent follow-up audit.

### *Integrated Operators System (SIO)*

The company has introduced important improvements into the most relevant computer applications for the functioning of its operations, such as the Integrated Operators System (SIO), which makes available to the customers, in real time, all the data they need for carrying out their work.



## Ethics and integrity

One of the company's principles is to achieve its business objectives with the maximum level of transparency, ethics and respect for human rights. The CSR Outline Plan 2007-2011 has helped to reinforce this aim with different courses of action, the definition of a new corporate Mission, Vision and Values being outstanding among them.

In order for this to be approved, a consultation process was opened for people from all areas of the Group to participate, this also including its main stakeholders, such as customers, administrations, ecology associations, trade unions and the media.

This project allowed the common values of the company to be specified, with the aim of guiding development of the business during the next few years and helping everyone in the Group to gain a better understanding of what the company's expectations are. Also, in 2009 the company revised its Articles of Association in order to adapt them to changes in the law and to the best good Corporate Governance practices.

Besides this, other major initiatives are summarized in:

### *United Nations World Compact*

The CLH Group became a member of the United Nations World Compact in 2007, and is therefore committed to supporting and developing the ten principles contained in the pact in relation to respect for human and labour rights, the environment and anti-corruption practices. It is for this reason, and as part of its commitment, that each year the CLH Group prepares a Progress Report in which it reports on the progress made in this field by the company.

### *Code of Conduct*

In 2010, the Board of Directors approved the CLH Group's Code of Conduct, which includes the ethical principles that must be respected by the company staff, senior management included.

In order to coordinate implementation of the Code and be able to monitor it, an Ethics Committee was created, as were communication channels through which to send consultations and report alleged breaches. This measure was completed with the approval of a Protocol for promoting equality and preventing workplace harassment.

### *Corporate Responsibility Reports*

With a view to making its main activities known in the economic, social and environmental spheres, between 2007 and 2011 the company has published five CSR reports that have been verified by an independent auditing firm and have been awarded the "A+" rating, which is the highest awarded by Global Reporting Initiative.





## Attracting and retaining talent

The Corporate Responsibility Outline plan has involved the development of a set of activities aimed at making the CLH Group a better place to work in. The result of these actions is consolidated with the results of the 2011 Merco People Report, in which the CLH Group holds 40<sup>th</sup> place out of the 100 best companies to work for in Spain.

### Staff rejuvenation plan

One of the first measures to be approved was the introduction of a Rejuvenation Plan, whose application has resulted in bringing down the average employee age from 50.2 years in 2007 to under 45 years in 2011, through early retirement and voluntary redundancy schemes agreed with the trade unions.

## Reconciling work and family life

CLH has carried out a set of actions that help to make work and family life more compatible, such as the implementation of policies designed to make voluntary geographical mobility easier, implementation of the “Kindergarten voucher” and a new Meetings Model, with guidelines for making work meetings more efficient and productive.

### Attracting young professionals

A number of different initiatives have been carried out such as “Practice with us”, in which around 250 vocational training students underwent practical training at the company’s storage facilities, and “Erasmus Recruiting”, which has enabled 24 university students in their final year, who spent part of their study period abroad, to take their first steps in the working world at different CLH centres.

### Employee satisfaction surveys

Two surveys have been carried out in these five years with a high percentage of participation, in which the level of satisfaction of the interviewees was found to have improved. For example, the percentage of people who felt proud or very proud to work in CLH rose from 77% in the first survey to 90% in the second.

## Management of teams and competencies

The CLH Group started up the “Lead in order to Motivate” training programme which is addressed to senior managers and middle management.

The company has also started implementing the “Supera-T” (Excel yourself) project, with the aim of unifying the different skills and performance assessment models that were already in place and improving the training and career development of everyone in the company.

### External recognitions

The CLH Group appeared in MERCO, the Spanish Corporate Reputation Monitor and has managed to move up from 89<sup>th</sup> place in 2007 to 60<sup>th</sup> place in 2011.

In 2008 the company obtained Family-Responsible Company (EFR) certification, which is awarded by the Másfamilia Foundation, this certificate being renewed in 2011 with a rating that was two levels better than initially.



### 4.3. First assessment by SAM of CSR practices in the Group

The CLH Group requested an analysis of its social responsible practices from SAM (Sustainability Asset Management), a specialist rating agency. SAM is an investment group that focuses on investment under criteria of sustainability. Its services include asset, index and private equity management. SAM is, moreover, the agency responsible for assessing companies wishing to form part of the Dow Jones Sustainability Index (DJSI). Every

year, the 2,500 largest companies according to the Dow Jones index (based on market capitalization: €1,000 million free float) are invited to participate in the assessment for forming part of this index.

The ultimate aim of the CLH Group assessment was to identify the risks and opportunities in the sphere of corporate responsibility, taking into account the criteria used by the benchmark investors in this field, and therefore be able to incorporate them into the company's new CSR Outline Plan 2012-2016.

SAM made an analysis of the answers provided by the CLH Group, which was given an overall score of 71 points out of 100 (5 points above the leader and 18 points above the sector average).

It was also placed as sector leader in two of the three dimensions analysed:

- In the environmental dimension, it was placed 21 points above the sector leader, 23 points above the cut-off mark and 33 points above the average for the sector.

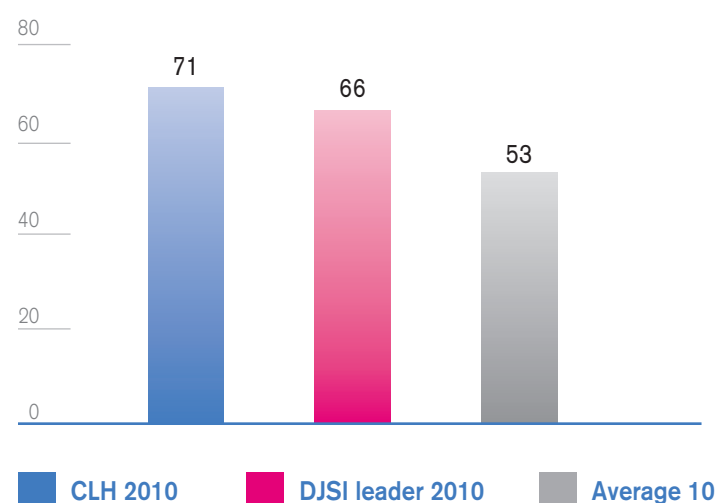
- In the social dimension, the CLH Group was placed 3 points above the sector leader and the cut-off mark, and 23 points above the average for the sector.
- In the economic sector, it was placed 5 points away from the sector leader, 4 points away from the cut-off mark and had the same points as the average for the sector.

It is especially worth mentioning that in the assessment as a whole, the CLH Group obtained outstanding marks in the areas of:

- Occupational health and safety (100 points).
- Relation with stakeholders (100 points).
- Reporting on emissions to the environment (100 points).
- Risk and crisis management (94 points).
- Environmental management policy (94 points).
- Customer relations management (90 points).

#### Overall score in SAM assessment

Total points





## 4.4. Dialogue with stakeholders

In 2011 the CLH Group kept up an active presence in bodies and associations related to the energy sector. The company is a member of the Spanish Energy Club (Enerclub), the Spanish Association for Energy Economics (AEEE) and the Autonomous Region of Madrid's Energy Foundation.

During 2010, the company attended to over one hundred journalists asking for information about the firm and its future projects, while press conferences and meetings with the media were also organized, such as those held on the occasion of the General Meeting of Shareholders, for presenting the economic results for the year, or visits made to its facilities.

Also during 2011 and in conjunction with other Spanish energy sector companies, CLH started up the Energy and Environmental Sustainability Foundation, a new research and analysis centre for new forms of energy that are more respectful of nature, that aims at becoming a reference centre in its field.

CLH is also a member of the board of trustees of the Catalonia Institute for Energy Research (IREC) and during 2011 it continued working, in association with the National Energy Commission, on cataloguing the Historical Archive of Hydrocarbons.

### Participation in congresses and meetings

The CLH Group also kept up an active participation in forums and conferences. The chairman of CLH, José Luis López de Silanes, was a speaker at the 20<sup>th</sup> World Petroleum Congress, held in Qatar, also participating in the 1<sup>st</sup> Energy Congress, organized by the Hispano-French Dialogue Association, and the International Congress on Learning, Innovation and Competitiveness, CINIAC 2011, which was held at the Polytechnic University of Madrid's School of Mining Engineering.

### The CLH Group is a founder member of numerous business associations

- "Panel Cívico de los 100".
- Spanish Association of Directors (AED).
- Institute of Directors-Administrators.
- "Círculo de economía".
- IE Business School.
- American Chamber of Commerce.
- Association for Management Progress (APD).
- Luso-Spanish Chamber of Commerce and Industry.
- Spanish Businessmen's Circle.



In addition, prominent representatives of the company participated in specialist meetings, such as the “Forum on Energy Infrastructures in the Autonomous Region of Madrid for the 21<sup>st</sup> century”, organized by the Regional Ministry of Economy and Finance; the “Optimal Hydrocarbons Logistics” congress, held in La Coruña; the “Conference on Energy Regulation in Spain”, sponsored by Enerclub; the “Forum on Involving People in Excellence”, organized in Valladolid by the Club for Quality and Innovation Managers in Castile and Leon; or the Seminar entitled “Communication Management in the Field of Energy”, organized by Enerclub.

### Visits to facilities

The following can be highlighted among the main visits received during 2011: the Secretary of State for Research, the Secretary of State for Energy, the Director General of Energy and Mining Policy, the President of La Rioja, the Minister of Presidency, Public Administrations and Justice of the Autonomous Government of Galicia, the President of the Madrid Assembly, the Mayor of Mérida, the Chairman of Cores, the Chairman of the Madrid Chamber of Commerce, and the Director of the Unesco Chair in University Management and Policy.

At an international level, the General Manager of TSPP, which is the Moroccan oil product transportation and storage company, and a

delegation from the Australian government visited the company's headquarters. Also, representatives of the Ministry of Public Finance of Albania, together with several staff members from the Spanish Tax Authorities, visited the storage facility in Alcázar de San Juan.

Besides this, the company's headquarters hosted various meetings with executives that were attended, among others, by the chairman of the BP Group in Spain, Alfredo Barrios, and the executive chairman of IBM in Spain, Juan Antonio Zufiria.

On the other hand, the storage facility in Zaragoza was visited by the city's newly qualified firemen and by a group of students studying for the master's degree in pipe engineering, which is sponsored by CLH, at the University of Zaragoza.

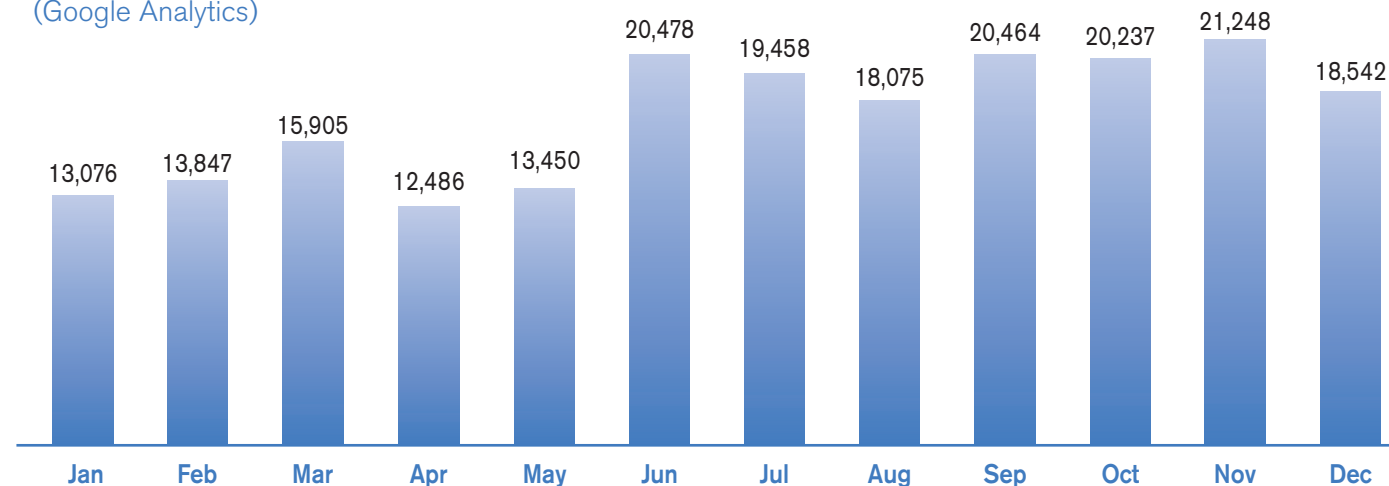
In Seville, a group of students from the Airport Management, Maintenance and Operation class at that university's School of Aeronautical Engineering visited the airport facility.

Lastly, two groups of students from the Advanced Course on the Energy Business, which is given by the Spanish Energy Club, visited the pipeline Control Centre in Torrejón de Ardoz and the company's head offices.

### Visits to the corporate website

The company also has a corporate website, which is one of the Group's main communication tools and which, according to data furnished by Google Analytics, was visited over 200,000 times during 2011.

Number of visits made to the website in 2011  
(Google Analytics)





## a notable case

### The CLH Group is awarded top marks in its sector for sustainability by the rating agency SAM (Sustainable Asset Management)

The CLH Group was given top marks for sustainability in the pipelines sector by the rating agency SAM (Sustainable Asset Management) which has awarded it a total of 71 points in the assessment carried out by this agency, which is responsible for rating companies that wish to form part of the prestigious Dow Jones Sustainability Index, meaning that CLH achieved the "Silver Class" category.

According to the results of this assessment, the CLH Group obtained the highest marks in the sector in the social and environmental dimensions. In this respect, the SAM analysts highlighted practices related to Occupational Health and Safety, Dialogue with Stakeholders and Emissions to the Atmosphere, where the company was given the highest possible mark (100 points).

Also, in the economic dimension, the CLH Group obtained the best rating in the sector in the Risk & Crisis Management and Customer Relations Management sections with 94 and 90 points, respectively.



The SAM assessment of CLH Group activities is framed within the work for updating the Corporate Responsibility Outline Plan. The aim of this project is to identify the risks and opportunities in corporate responsibility in order to include them in the new Strategic Plan 2012-2016 that the CLH Group is already working on.





## 5. Customer focus

### Our Approach

*For the CLH Group, excellence in the service provided to its customers is a key aspect in its strategy. One of its aims is, therefore, to guarantee a safe fuel supply to society that focuses on efficiency and quality in the service.*

### 2011 milestones

- Adaptation, expansion or construction of new CLH Aviación infrastructures (La Coruña, Alicante, Almería, Barajas, Barcelona, Bilbao, Mahón, Murcia, Salamanca, Seville, Son Bonet and Son San Joan).
- Satisfaction surveys were conducted on CLH and CLH Aviación customers.
- Studies were carried out for introducing biofuels into the aviation sector.
- Provision of into-plane fuel supply services through direct contracts signed with airline companies.
- Award of tenders for into-plane supply services at Barajas, Malaga and Son San Joan airports.
- Selection of a new multifunction additive for diesel fuel that includes detergency for the new direct injection diesel engines.
- Introduction of second generation biofuels (hydrobiodiesel, HVO) into the logistics network.
- Boosting of management through processes by defining and launching the RESET project.
- Contribution to the development of biofuel analysis methods and development of methods of its own that are proposed to the sector.
- Start-up of the new Barcelona storage facility expansion, which is connected by pipe to the existing CLH facility.
- At the Barcelona facility, infrastructures adapted for receiving, storing, blending of different types of biodiesel and the dispatch of these products were brought into service.
- Expansion of storage capacity for bunker products at the Algeciras-Isla Verde facility.

### Challenges posed for 2012

- Completion of the hydrant, pumping and filtration expansions at Son San Joan airport.
- Completion and start-up of service stations at Alicante, Bilbao and Seville airports.
- Start-up of the new CLH Aviación facilities in Mahón, Seville and Murcia and the loading area in Barcelona.
- Start up of the hydrant network at Alicante airport and expansion of the one in Malaga airport.
- Greater in-depth study of the possibilities of using biofuels in the aviation sector.
- To define and implement the system for certifying biofuel sustainability.
- To renew the external assessment of the Excellence system with the gold seal (500+) in the EFQM model.



### Degree of compliance with the challenges posed for 2011

#### Degree of compliance:



*Achieved*



*In progress*



*Not started*

### Actions carried out for achieving these goals

Systematization and promotion of a global project initiative and targets for improvement/re-engineering in all the company's processes, encouraging the use of lean management and Six Sigma tools.

Creation of the RESET project for pushing forward with management through processes in the whole of the organization.

Creation of the Stable Group for Management through Processes.

Introduction of new management tools such as QFD (Quality Function Deployment). Two pilot projects for introducing lean methodology have also been carried out.

Development and implementation of a project for bunkering service re-engineering that integrates and improves the processes between barges, agents, customers and CLH.

Consolidation of the CLH central laboratory as a benchmark centre in fuel technology.

Maintenance and promotion of the presence in fuel working groups and forums at a national level (the AENOR CTN 51, FAME specifications group, etc.).

Working groups on European specifications were joined (WG21, WG24).

The company joined the Spanish project for promoting the use of biofuels.

Maintenance of all the quality certifications and accreditations, and also the recognitions of business Excellence. Design and introduction of actions for improvement in all management and activity spheres.

Maintenance of all the:

- ISO 9011 certificates (a total of 5)
- ISO 17025 accreditations (a total of 4)
- UNE 166002 certificates (a total of 2)

Maintenance of the EFQM seal, with an internal assessment of 644 points.

Renewal of the "Madrid Excelente" mark.



## 5.1. Commercial offer and operating improvements introduced during 2011

The CLH Group offers a wide range of services related to fuel storage and transportation, besides the supply of fuels for aviation.

### CLH Group commercial offer

- Additivation.
- Biofuel services.
- Delivery supervision.
- Fuel specifications.
- Analysis laboratory services.
- Metrology and calibration services.

### Additivation

The company offers its customers the possibility of adding the additives of their choice to the products dispatched from its facilities. These additives are automatically added in the loading arm, continuously assessing and selecting additives and anti-cold for improving product quality. In this way it is guaranteed that the products offered incorporate the latest technologies available in each of the cases.

It should be noted that in 2011 a new quality additive that incorporates efficiency in aspects of the behaviour required by the latest generation engines was selected for automotive diesels.

### Biofuel services

With the aim of satisfying its customers' requirements, the CLH Group incorporated loading-arm biodiesel and bioethanol blending logistics services into several facilities.

The biodiesel services currently offered are blends of fatty acid methyl esters (FAME) with diesel prior to tank truck loading in proportions of up to 7%, and loading arm blends in different proportions from 7% up to 30%, which the customer can request for dispatch in each cargo loaded.

Services for bioethanol storage and blending gasoline with this biofuel at the time of loading tank trucks have also been provided for the first time at nine storage facilities that were adapted during the previous year for providing this service, thereby helping to make it easier for the operators to fulfil their obligation in respect of biofuel consumption.

During 2011, the company started operating with second generation biofuels (hydrobiodiesel, HVO) in its network, having made all the infrastructure changes necessary for making this service possible. The first studies for operating with biofuels have also been carried out for the aviation sector.



## Delivery supervision

The oil companies deliver products to CLH through the national refineries or through imports by tanker from foreign refineries. There is a CLH team working at each of the eight refineries that are distributed throughout Spanish peninsular territory (La Coruña, Tarragona, Cartagena, Puertollano, Huelva, Algeciras, Bilbao and Castellón), that is in permanent contact with the refinery staff and has first-hand control of the quality and quantity of the products. Besides this, all products that are imported by tanker are analysed before being unloaded.

CLH performs analysis on 100% of the products that enter its system, which ensures that all the products entering its logistics system comply with the quality standards established by contract. In 2011, the company started restructuring the product quality area and this will increase the efficiency of its traceability, assurance and control system and will make it possible to continue improving the levels of reliability that it has always offered its customers and the sector in this respect.

Besides this, accuracy in the measurement of the quantities received and delivered is backed up by an assurance system that is also supported by a metrology laboratory accredited in accordance with the ISO/IEC 17025 standard. This accreditation was renewed in 2011.

## Analysis laboratory services

The management of fuel technology and quality is one of the activities that sets the CLH Group apart. The company has achieved this with a network of laboratories for carrying out product analysis and characterization, this network being formed by seven laboratories that are coordinated from the Central Laboratory in Madrid. It holds accreditation according to the ISO/IEC 17025 standard and has one of the most complete analysis services portfolios in the sector.

During 2011, the company intensified its participation in European fuel technology and standardization groups (CEN WG 21, WG 24), and also in different ad hoc groups created for dealing with specific topics. This line of action seeks, on the one hand, to position the company at the forefront and, on the other hand, to offer our infrastructures and know-how for helping in the development and solution of challenges in the sector.

## Fuel specifications

In 2011 the company made all the necessary changes in its infrastructures, operational protocols and quality assurance and control systems to make it possible to introduce new qualities of fuel (new ISO 8217 and

MARPOL requirements for marine fuels, new specifications for off-road diesel).

In agreement with the major agents in the sector, early in 2011 a new CLH system specification for diesel biofuels (FAME), that has helped in improving the behaviour of these products, was published and has resulted in favouring its market penetration.

## Metrology and calibration services

Another of the skills that set CLH apart is its technical ability in the field of metrology. It operates a metrology unit that provides services for the calibration, verification and adjustment of equipment used in measuring volume, temperature, pressure, density, and length and transmission of electrical signals, in order to guarantee the reliability necessary in an activity such as quantity control in all processes for the receipt, delivery and internal movement of products. Technical competence in this field is backed up by accreditation from the Administration in the area of volume, and by ENAC (the Spanish accreditation body) in its range of operations.



## 5.2. Customer satisfaction

One of the aims of the CLH Group is to achieve the highest level of satisfaction among its customers. Because of the special characteristics of its activities, the company has a small number of customers with whom it has very close contact and this allows it to have a detailed knowledge of their needs and expectations when it comes to designing the service offer. Customer satisfaction is

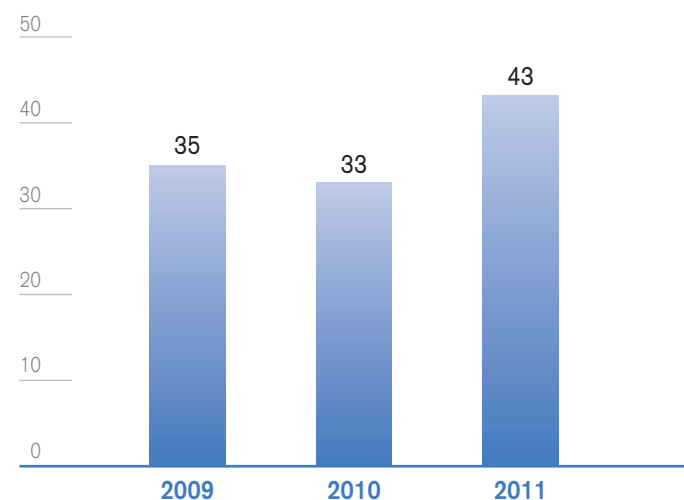
also top priority for CLH Aviación, whose customers are not always the end users (mainly airline companies) because the commercial relationship is basically established with the oil operators which are, in turn, the owners of the product. The company offers services for the storage, distribution and into-plane supply of aviation fuels and lubricants. It also provides advice and technical assistance for the installation and maintenance of distribution networks for various types of aviation fuel, in addition to specific training on the handling of aviation fuels.

CLH Aviación therefore keeps up a close relationship with the end users (airline companies) so as to be able to analyse their level of satisfaction. Throughout 2011 the company held a series of meetings with the different customers and stakeholders in order to ask them how satisfied they were with the service provided, and also about any new requirements they had.

### CLH Group customers

- Oil operators.
- Large consumers (Electricity and airline companies).
- Special customers (Public Administration and other customers).

CLH Number of customers







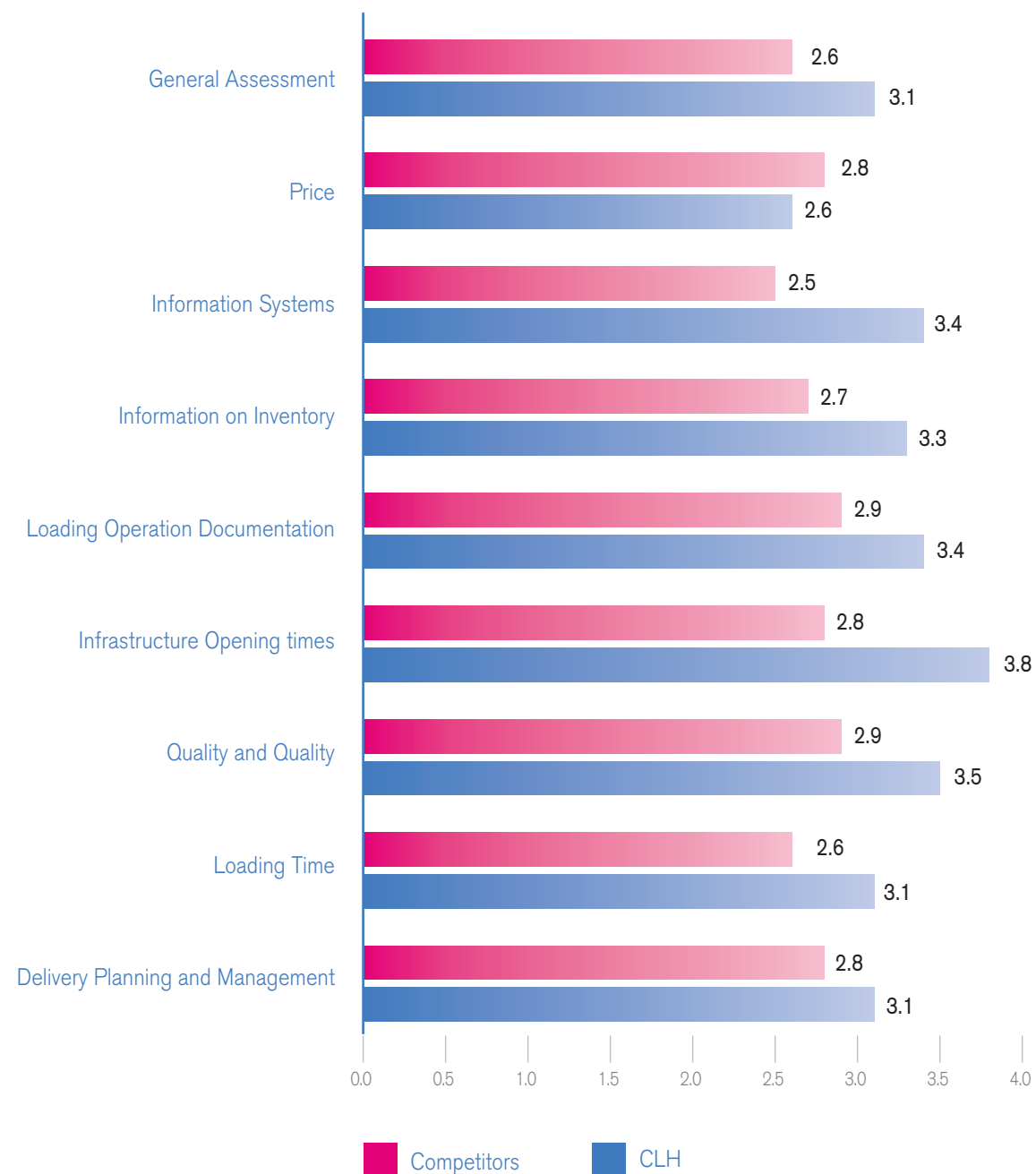
## CLH customer satisfaction survey

During 2011, CLH carried out another satisfaction survey among its customers to find out their assessment of the services it provides. This measurement is carried out every two years.

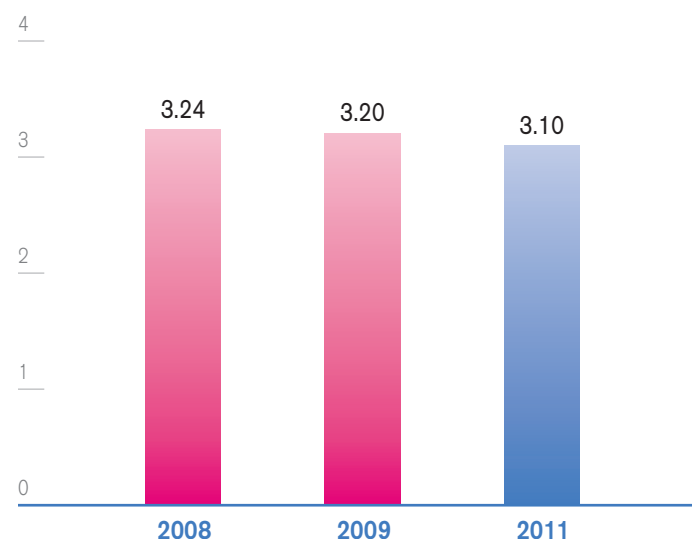
The average rating given in 2011 was 3.1 out of a maximum of 4 points. A slight reduction is observed and is basically accounted for by the higher level of customer demand in services and the present economic situation, which has given rise to a significant accumulated reduction in consumption over the last 4 years. In addition, CLH has recently introduced new services and this requires a period of adaptation that may significantly affect the overall assessment.

On the other hand, it should be noted that the perception CLH customers have when comparing it with other competitor companies has improved in many aspects in relation to the previous survey held in 2009.

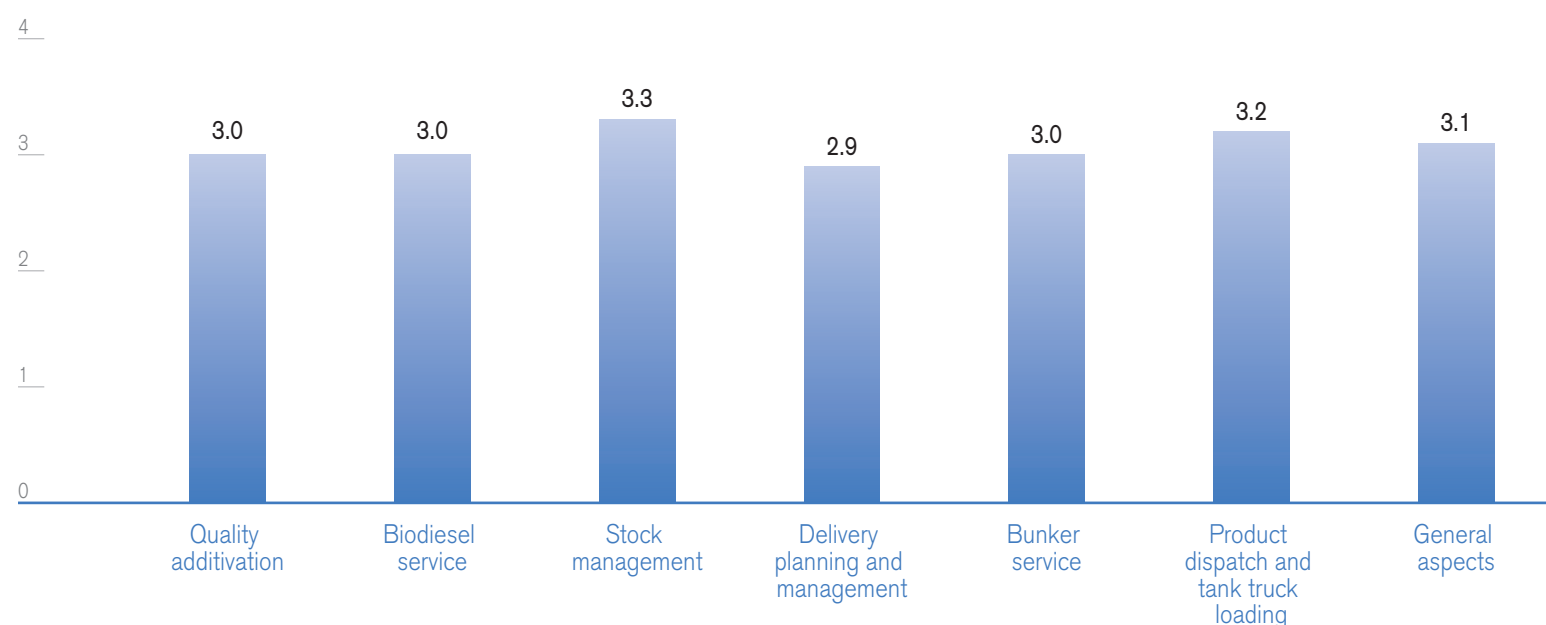
### Assessment of CLH vs competitors 2011



## Average Assessment CLH



## CLH assessment by services in 2011



## Conclusions of the satisfaction survey in CLH

– A increase in the rating of biofuel services was recorded in 2011 as a result of the improvement actions undertaken during the year. Evaluation of the new bioethanol service was also included.

- The consolidated services offered by CLH have not undergone any changes in their rating since they are sufficiently mature (delivery planning and programming, inventory management and product dispatch).
- The differentiated additivation service continues to receive a high rating, as it provides a differentiating element from the commercial point of view for the customers in the market.
- The greatest possible flexibility in company operations must continue to be offered because the customers find themselves in markets that are increasingly changing and competitive.
- The assessment made by CLH customers in respect of competitors increases when compared with the previous survey, practically all of the aspects being rated above average.
- The implementation of new services must be carried out with great flexibility because market circumstances change very quickly.



A series of action plans based on an analysis of the results has been determined and a study is being made for carrying them out in some areas such as, for example:

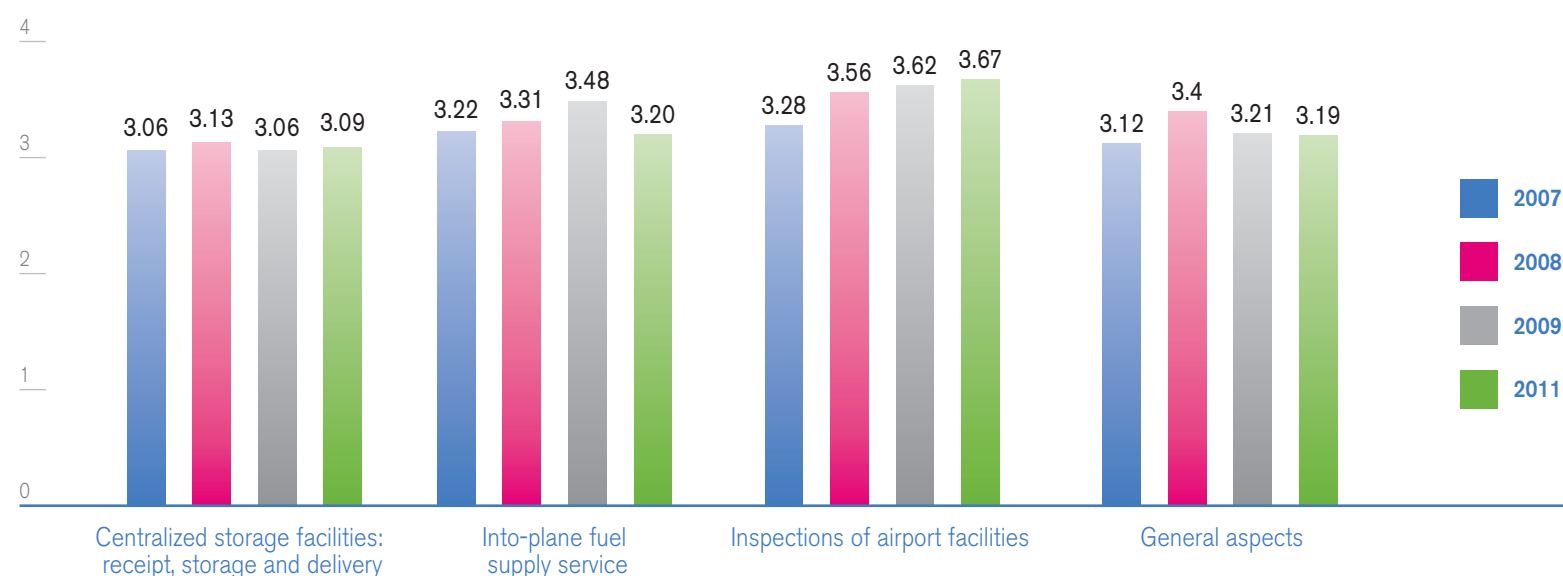
- Review and improvement of the bunkering process.
- Improved management of claims related to the services provided.
- Adaptations to the computer tools made available to the customers in order to improve their operation (SIO).

### CLH Aviación customer satisfaction survey

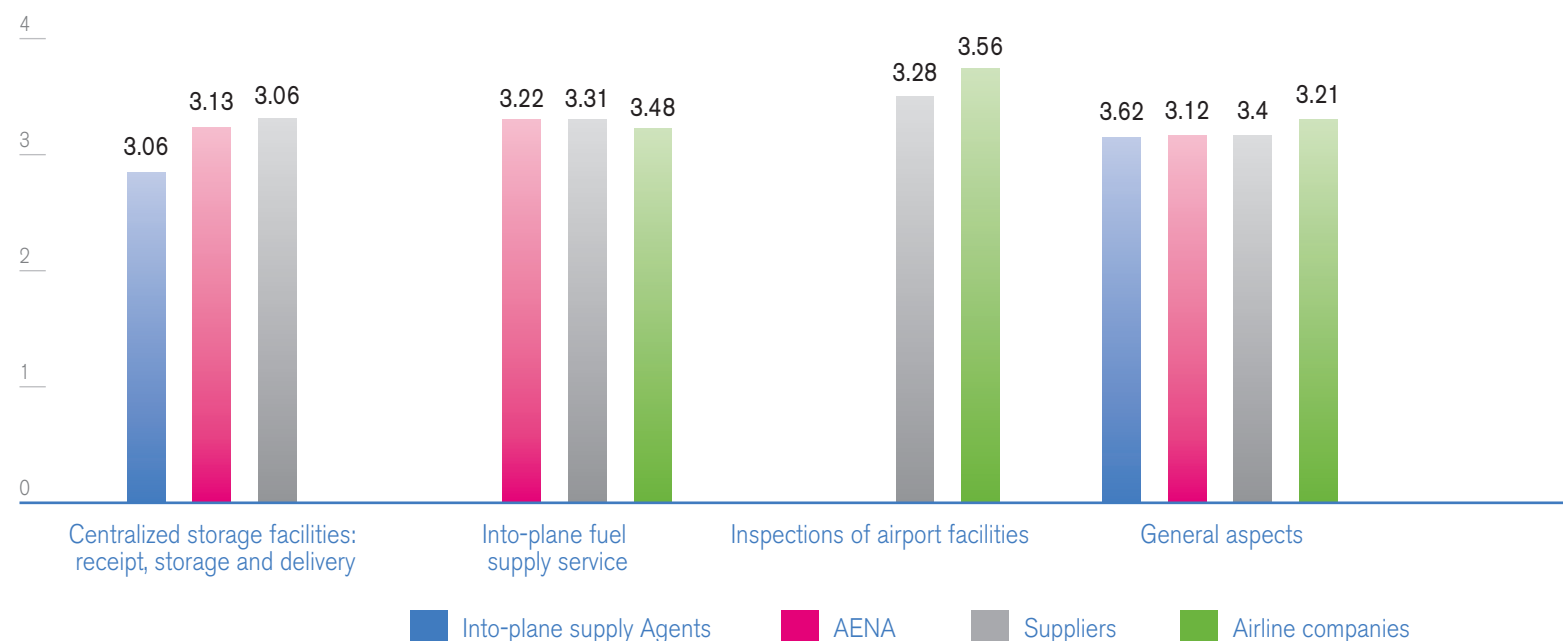
During 2011, a survey was prepared for assessing the level of satisfaction in different segments of CLH Aviación customers: suppliers, airline companies, other airline companies that receive the into-plane fuel supply service indirectly, service-into-plane agents that use the company's infrastructures, and also the managing bodies of the airports where services are provided.

The overall result of the survey (3.23) is slightly lower than in the survey carried out in 2009, the highest rating being given by the airline companies (3.44) that are the end users of the service.

Evolution of assessment by processes



Assessment of processes by segments





### *Conclusions of the satisfaction survey in CLH Aviación*

- Overall result of the survey: 3.23 points.
- A progressive downward trend in activity is recorded compared with the other into-plane fuel supply agents that are integrated with traditional suppliers (from 59.5% to 53.3%).
- The invitation to bid for the place of third into-plane fuel supply agent for Barcelona and Barajas airports was called during 2011. CLH Aviación was the successful bidder for all into-plane supply authorizations it tendered for (the remaining authorizations put out to tender were awarded to vertically integrated into-plane supply agents).
- A new supplier started operating at Barajas and Barcelona airports at the end of the third quarter of 2011.
- The direct provision of services to airline companies has started for the ones requesting this.

- Work has finished on improvements at airport facilities: Son Bonet (new facility), Salamanca, La Coruña and Almería (general improvements to the facility).
- The following improvements were carried out during 2011: Malaga (extension of hydrant), Alicante (construction of hydrant, improvements to loading area and construction of tanks), Barcelona (improvements to loading area), Son San Joan (extension of hydrant and improvements to loading area), Seville (improvements to loading area and construction of tanks), Mahón (improvements to loading area) and Murcia (new facility).

A series of action plans based on an analysis of the results has been determined and a study is being made for carrying them out in some areas such as, for example:

- Improve communication with customers and other stakeholders, simplifying methods of contact and providing information on the various possibilities for communicating with the company.
- Improve coordination of document management and the use of the CLH Aviación infrastructure through promoting meetings with the service-into-plane agents.
- Minimize delays due to the wait for airport managing bodies to take action, through improved coordination with airport managements. This means guaranteeing that new infrastructure building work can be carried out within the time limits forecast by CLH Aviación.
- Transfer documentation to the customers more efficiently and quickly through promotion of the use of electronic invoices, the inclusion of improvements in redesigning service provision processes and sending the invoicing annexes in editable format to several suppliers.



### 5.3. Quality and continuous improvement

The aim of the CLH Group quality policy is continuous improvement in all the company's activities and processes, both strategic and operational or those that serve as support, in order to satisfy its stakeholders.

In 2006 the CLH Group implemented the EFQM (European Foundation for Quality Management) model as a tool for managing excellence. This model made it possible to develop different projects and initiatives for gaining in internal or internal customer effectiveness, efficiency and satisfaction. As a result of these actions, in 2010 the company obtained the European Excellence 500+ Seal, awarded by AENOR and the Spanish Club for Excellence in Management, which gave it a score of between 550 and 600 points and includes the company in a small group of firms that hold this recognition.

In 2011, CLH improved this score and exceeded 600 points in a self-assessment process that was validated by approved external assessors.

It is through these Excellence models that the company commits itself to its economic, financial and customer satisfaction objectives while also taking on a commitment to competitiveness and long-term viability, based on satisfying the needs and expectations of all its stakeholders and on the commitment to the natural and social environments.

To fulfil the aim of continuous improvement and re-engineering in all its tasks, functions and processes, in 2011 CLH started up a set of initiatives, in which members of different managements in the company participated, that are presented in the following chart.

#### EFQM Model for excellence in Management

- Commitment to the environment, safety and prevention and contribution to improving the social environment.
- Clear slant towards results at internal and external level.
- Continuous comparison for being a benchmark company.
- Interest and commitment of all employees.
- Slant towards continuous improvement and innovation.
- Well designed, soundly implemented approaches for all aspects of management.





## Quality management and continuous improvement

### Suggestions system:

- APORTA initiative.
- Recognitions and prizes.

### Improvement action systems:

- “Kaizen” initiative.

### Improvement groups:

Stable and ad hoc.

### Innovation project system:

- Allows management of the Group to be directed towards improvement and innovation.

### Management through processes:

- Directed towards continuous improvement with the focus on effectiveness, efficiency.
- RESET Project.

### Management lines

- Guarantees of excellence.
- Product quality.
- Competence in environmental analyses.
- Process and service quality.
- Metrological control.
- Service station maintenance.
- Biofuels.

Besides this, in 2011 the company renewed its use of the “Madrid Excelente” mark for its facilities and activities in the Autonomous Region of Madrid.

In order to incorporate the best management practices and make the company’s way of operating known, this year the CLH Group continued participating in quality, excellence and innovation working groups. It also joined the Club for Excellence in Management’s Benchmarking Club.

Another CLH concern is to guarantee the perfect condition of the oil products it handles and distributes. The company achieves this aim with a stringent Quality Management System that is completed with ISO/IEC 17025 accreditation, awarded by ENAC, for fuel analyses at its central laboratory, which was renewed in 2011.

CLH also continued developing the use of bioethanol in gasolines this year. It also adapted the specifications for marine fuels, in order to meet the environmental requirements included in the ISO 8217 standard and in the MARPOL agreements, and also the specifications and operating and control procedures with a view to meeting the environmental requirements for off-road diesel (red diesel).



After opening a consultation period with the major operators, the company designed a new quality of fuel (fuel for heating and marine use/DMA), which simultaneously fulfils the requirements of fuel for heating and marine use, and allows costs and the impact for end customers to be minimized. In turn, CLH assessed and selected a new quality additive that improves the behaviour of diesels, even if they are blended with biodiesel, and increases efficiency in the new direct injection diesel engines.

During 2011, the CLH Group maintained accreditation according to the ISO/IEC 17025 standard for the performance of environmental tests. It also included in its analysis portfolio other determinations related to the environmental conduct of the company.

The CLH Group works to improve efficiency in its processes and services, so that they offer maximum value to the customers and to society, with minimum consumption of resources. With this in mind, in 2011 it started up the RESET project, which establishes its own methodology for promoting and energizing the improvement and re-engineering of the company's processes. CLH also joined forces with the BPM (Business Process Management) Club for sharing the best practices in this discipline.

On the other hand, the company renewed the accreditations awarded by ENAC according to the ISO/IEC 17025 standard for the performance of calibrations and tests in its oil product volume metering system. This recognition guarantees precision in the quantities of oil products received and delivered by the company, which makes it possible to reinforce the quality of the service offered to customers and meet the needs of other stakeholders, such as the Administrations.

During 2011, CLH continued working in association with the university in the field of the CLH Chair in Hydrocarbon Metrology. The company completed a pioneer project related to the measuring of dynamic volumes using positive displacement meters, the results of which will be made available to the scientific community at the forthcoming Metrology Congress. Besides this, its own projects

were carried out for improving systematics, procedures and metering equipment. Initiatives related to perfecting the turbine calibration bench and the assessment of meters using ultrasound were also undertaken.

As regards biofuels, the company continued to improve the service from both the viewpoint of operations and customer relations and reporting to the Administration. In agreement with the main customers, in January 2011 a new specification for diesel biofuels was introduced for the CLH system (FAME), which improves the behaviour of this product in the market while at the same time facilitating its penetration. In addition, a working group was created within AENOR for standardizing the national specifications of these products, which includes early inclusion of the quality specified in the future edition of the EN 14214 standard.



The CLH Group has infrastructures, procedures, quality control systems and information management systems that are adapted, as regards biofuels, to the requirements and expectations of its customers and other stakeholders. At the same time, the company is carrying out the necessary actions for introducing second generation biofuels (hydrobiodiesel HVO) into its systems, in coordination with the agents involved.

CLH also defined and implemented biofuel (FAME) storage and blending services at the Barcelona storage facility and joined forces with other companies in the government-led initiative for promoting the use of biofuels in aviation at the same time as it took the first steps for participating in R&D&i projects on this subject.

### Quality management in CLH Aviación

In 2011 CLH Aviación has acted on various fronts, based on the creation of a series of improvement groups with specific aims and defined areas.

#### Quality management in CLH Aviación

##### Creation of the Hydrant management improvement group. Aims:

- To analyse incidents with repercussions on: operations, design, equipment purchase, coordination with third parties, safety, maintenance, environment, work organization, training.
- To channel the lessons learned from analysing the incidents towards solving or implementing them.
- To communicate and assess practices and lessons learned at outside forums.
- To identify improvements in operation and design, conveying them to the affected areas.
- To identify critical elements.
- To review, circulate and control the implementation of internal regulations and changes made to them.

##### Creation of a CLH Aviación knowledge data base

- Integrates the knowledge obtained through participating in fairs, congresses and meetings held by working groups or outside associations, visits to third-party facilities and publications for circulating among all members of the organization.

##### Creation of the JET A-1 filtrability equipment improvement group. Aims:

- To optimize the filtration process, guaranteeing product quality, with zero risk.
- To apply know-how and compile standard work procedures for immediate application to all the facilities.

##### Creation of the Process for providing into-plane services improvement group.

- Formed by CLH Aviación, information systems management, the sub-department for quality and innovation.

##### Creation of a single database

- Includes the information necessary for management from the airports and from the CLH Aviación management alike.

## 5.4. Promotion of Innovation

The CLH Group has an Innovation Management System that includes the requirements of the highest possible standards, the conduct of benchmark companies and a bibliography with the best practices.

This System aspires to become a benchmark both for the sector and for industry in general. The special features of CLH, including its strategy and its Mission, Vision and Values, as well as the characteristics of the sector, were taken into account in its design and implementation. In addition, this System is flexible and can be adapted to the requirements of the environment and to new practices or theoretical developments as they arise.

This System materialises the formal commitment of the company to innovation as a factor for customer satisfaction and for maintaining short-term results, and also as a factor for competitive success in the medium and long term, by overcoming the restrictions and competition difficulties of the market and the environment.

During 2011, CLH participated as a benchmark company in the project for promoting innovation which is led by the Spanish Foundation for Science and Technology (FECYT). Besides this, CLH Aviación joined the project spearheaded by the ministries of Development, the Environment and Industry to foster the use of biofuels for aviation in Spain.

## 5.5 Data protection and commercial communications

The company's commercial information is managed through the Operators' Information System (SIO), which makes it possible to control the privacy and confidentiality of customer data. During 2011, the CLH Group has not identified any breach of the rules or voluntary codes relating to marketing communications, including advertising, promotion and sponsorship. Similarly, no breach of the rules or voluntary codes has been identified in relation to the information reported by the CLH Group on services provided during 2011, nor has any complaint been received in relation to respect for the privacy or personal particulars of its customers.

(thousands of euros)

Investment in innovation	2008	2009	2010	2011
CLH	3,154	2,098	435	2,000
CLH Aviación	175	0	0	0
<b>TOTAL</b>	<b>3,329</b>	<b>2,098</b>	<b>435</b>	<b>2,000</b>



## Innovation in the CLH Group

### Steps for implementation

- **Step 0.** System definition: study of best practices in the sector and definition of system policies, as well as in the Plan for implementation.
- **Step 1.** Systematization of continuous improvement : suggestion systems, improvement and working groups carried out in previous years and strengthened in 2012.
- **Step 2.** Promotion of management through processes: system for management through processes focusing on improvement and re-engineering.
- **Step 3.** Systematization of innovation: design and implementation of the innovation system, certified according to the UNE 166002 standard in 2010.
- **Step 4.** Universalization of innovation: system that applies to the four quadrants of the two-dimensional customer vs service matrix.

### Principles of the innovation policy

- Leadership for innovation.
- Innovation management based on facts.
- Focus on interested parties.
- Interaction with stakeholders.
- Contribution to long-term competitiveness and success.
- Culture of commitment and participation.
- Commitment to the environment.
- Training and development.

### Strategic areas

- **Strengthening of participation systems**  
Increase in internal contribution to the system and improved development and implementation of contributions.
- **Re-engineering of processes**  
Use of own methodology developed, which includes the best tools and practices in the market (QFD, lean, Six Sigma, etc.).
- **Promotion of R&D&i projects**  
Improvement in global process for project management, from initial stage of search for ideas to execution and management of possible intangibles.
- **New services**  
Bases for company action in the new services/new customers quadrant, including the identification of profiles and organizational design.





## a notable case

### CLH and promotion of the use of biofuels

CLH plays an active role in the field of biofuels. In the last few years, the company has adapted its infrastructures, operating procedures and quality assurance and control systems to this type of product, in order to meet customer requirements and comply with government forecasts.

The actions undertaken have made it possible to introduce biodiesel (FAME) blended with diesel and ethanol blended with gasoline into the Spanish market.

In accordance with this policy, in 2011 CLH pushed forward new measures to continue promoting the use of biofuels:

- Introduction of improvements in the use of first generation biofuels: CLH continued making operational improvements and improving the Quality Control Systems so as to guarantee maximum market penetration for this type of product. New specifications were therefore introduced, new assurance protocols were agreed with the major players and new analysis methods were developed for determining critical properties.
- Introduction of second generation biodiesel (hydrobiodiesel, HVO): the company adapted its Information Systems to permit the differentiated treatment of HVO incorporated into diesel and enable it to meet customer requirements and those imposed at government level in relation to this new component.
- Introduction of biofuels in the aviation sector: CLH, as a collaborating company, joined the inter-ministerial agreement for fostering the use of aviation biofuels in Spain, this initiative being promoted by the ministries of Development, Industry and the Environment.



## 6. Industrial and occupational safety in the CLH Group

### Our Approach

*The CLH Group works to provide its employees and partners with a safe, healthy, risk-free environment with the responsibility and objective of continuing to be a benchmark company in the sector for its practices where occupational and industrial health and safety are concerned.*

### 2011 milestones

- OSHAS 18000:2007 certification, granted through AENOR, was obtained.
- Sustainable lowering of the TFR from 9.31 in 2010 to 7.33 in 2011 (-21.26%).
- Publication of the book entitled "The Great Silence" which was distributed to all CLH Group employees.
- Sustainable reduction in industrial incidents from 22 in 2010 to 18 in 2011 (-18%).
- Second phase (YEAR-II) of the Project for sustainable cultural change as regards Safety, for employees with no role of leadership.
- Publication of the new CLH Group Health and Safety Manual.
- The CLH "Zero is Possible" Prize in Occupational Health and Safety for Contractors was announced for the first time this year.

### Challenges posed for 2012

- Revision and Updating of the Individual Protection Equipment Manual.
- Start of analysis of a computer tool for the management of Occupational Accidents (Form 370).
- To continue bringing down the figures for industrial incidents.
- To continue with sustainable reduction of the TFR.

### Degree of compliance with the challenges posed for 2011

Degree of compliance:

● Achieved

◐ In progress

○ Not started

### Actions carried out for achieving these goals

- Accreditation according to the OHSAS 18001 standard for Occupational Health and Safety Systems, awarded by AENOR.

AENOR certification obtained in August 2011.



## 6.1. CLH Group safety model

The CLH Group has a Safety Management System that encompasses all aspects of the organization that have repercussions on people, assets and the environment as regards the risks involved in the company's own activities or any that are directly related to the company.

In November 2010, phase I was carried out in CLH and CLH Aviación, with AENOR, for certification of the health and safety system in accordance with the OHSAS 18001:2007 standard, and in August 2011 certification was obtained for both CLH and CLH Aviación.

The CLH Group also has emergency plans whose purpose is to safeguard the health and safety of people and identify situations with potential risk that can occur at the facilities. If any incident should occur, the emergency plans allow efficient organization of the courses of action to be taken by the human and material resources available for dealing with it.

Internal and external communication channels for reporting the incident and requesting help if necessary are also established. The company has different kinds of emergency plans depending on the type of facility. There are plans for storage facilities, airport facilities, the pipeline network and, of course, the plan for evacuating its head office. A marine contingency plan has also been developed for acting at the seaport terminals where the company operates.

On the other hand, employee representation in the risk prevention systems is organized through the prevention delegates who are present at all work centres where there are more than 6 employees. In addition, there is a Local Health and Safety Committee at all centres where there are more than 50 workers, with equal representation. The Joint Committee for Health and Safety is the equal representation body, at company level, for CLH and CLH Aviación.



## 6.2. Facility integrity

Through its Serious Accident Prevention Policy, the CLH Group aims to guarantee and assure its facilities, equipment and operations.

### Serious Accident Prevention Policy

- Supply.
- Dispatch of fuels.
- Storage.
- Receipt.
- Fuel supply to ships.
- Storage, transportation and supply of fuels and packaged supply of fuels.
- Transportation.

The CLH Group objective is to offer the highest possible level of safety and reliability, avoiding the occurrence of accidents whose consequences may affect the health and safety of its employees, the employees of outside companies and those living in nearby towns.

It also applies the action procedures for the prevention and control of environmental impacts. This is achieved through the commitment to systematically apply the principles enshrined in the Serious Accident Prevention Policy.

The CLH Group has efficient fire defence systems and engages in innovating and developing new ideas to provide its facilities with ever greater reliability and safety, guaranteeing that the mitigation systems are in perfect working order at all times.

All the facilities affected by the legislation on serious accidents are in possession of the safety and event modelling studies that have been presented to the various autonomous regional administrations and are available for consultation by the public through the websites of those bodies.

On the other hand, all the CLH Group facilities have Self-Protection Plans that have been prepared in accordance with the provisions of the Basic Civil Protection Guideline whose aim is to safeguard the health and safety of people and identify situations of potential risk that may arise at the facilities. If any incident should occur, the emergency plans make it possible to organize activation of the human and material resources available for dealing with it.



### 6.3. Pipeline Integrity Management Plan

The CLH Group carries out continuous monitoring of all its pipelines in order to guarantee their safety, and the company has a "Pipeline Integrity Management Plan" for keeping a close and thorough watch over them. A sophisticated satellite-connected system is used for this, thereby ensuring management that is safe and efficient. CLH also keeps a regular watch over all its infrastructures with the use of aircraft sweeps, foot patrols and vehicles.

The company also keeps up a flexible relationship with the local authorities and the owners of the land through which the pipelines run, in order to offer them a clear vision of the characteristics of these infrastructures and be able to count on their cooperation in case of necessity.

To make this work easier, the CLH Group has published explanatory leaflets that include the precautions to be taken in the vicinity of the pipelines, particularly when external activities or work must be carried out in the adjacent area, providing them with a contact telephone number in case it should be necessary for the company to intervene.

In addition, the company has drawn up Emergency Plans for the pipeline system that are consistent with the best international recommendations and guidelines on safety. A fundamental aspect included in these emergency plans are incident drills, which contribute to employee training and coaching

besides helping to guarantee coordination with other intervention groups from the administration. These drills are also used to make the characteristics of the facilities and the resources of the company known to these intervention groups. Pipeline incident drills that affect watercourses are particularly noteworthy. These drills serve as training and verify the preparedness of the staff in the use of specific resources for stopping and stemming possible pollution in rivers, reservoirs, etc.

The following training activities for incidents affecting waterways were carried out during 2011:

Date	Section	Description	Operations area
10/01/2011	Poblete - Mora	River Algodor	Centre - South
27/10/2011	Monzalbarba – San Adrián	River Ebro	North-east
14/04/2011	Monzalbarba – San Adrián	River Aragón	North-east
05/07/2011	Arahal - Coria	"Finca el Chamarro" reservoir	South
01/12/2011	La Coruña - Vigo	River Almofrey	North



## 6.4. Occupational health and safety

One of the main targets of the company's Strategic Plan is to reduce the number of occupational accidents. With this aim in mind, the CLH Group believes in promoting a sound and proactive safety culture that is integrated into all fields of activity of the firm. The company works to guarantee the safety of everyone who forms part of the organization and the activities carried out in it.

The efforts made during the last few years in the area of occupational prevention have made it possible for a progressive reduction to be achieved in 2011 in the Total Accident Frequency Rate (TFR) in the CLH Group compared with previous years.

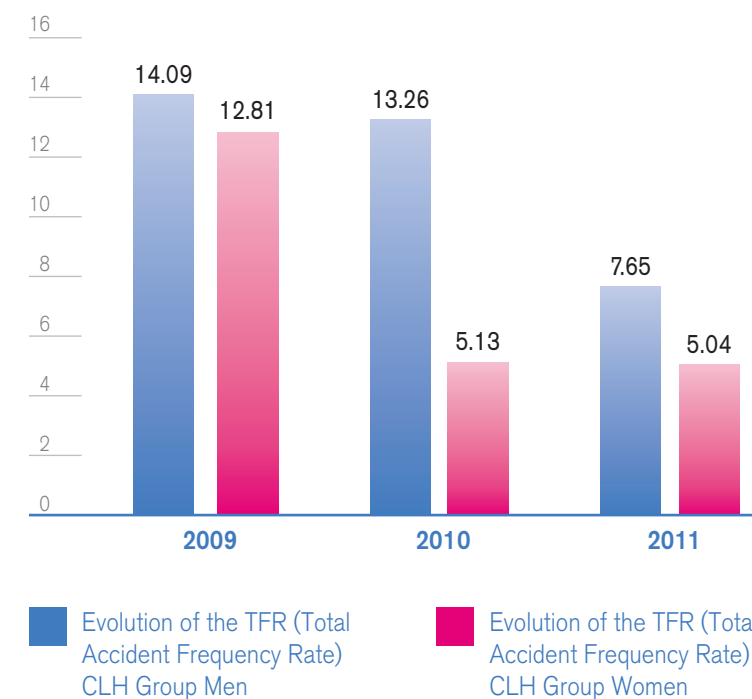
During 2011, the CLH Group continued developing its "Zero is Possible" project which includes the proposals of a working group and training provided to all company employees through "behavioural workshops" conducted by professionals in the areas of operations and safety.

The aim of the CLH Group Occupational Risk Prevention Plan is to guarantee the health and safety of everyone who plays a part in the company's activities, and it is compulsory for all employees to know about it.

The CLH Group considers it a priority matter to maintain the highest possible level of safety in its facilities, for its own staff, for the staff of contractors, and also for the environment in which it carries out its activities. It is for this reason that all of the company's infrastructures are designed and operate with strict respect for the regulations in force, and comply with the most stringent national and international parameters.

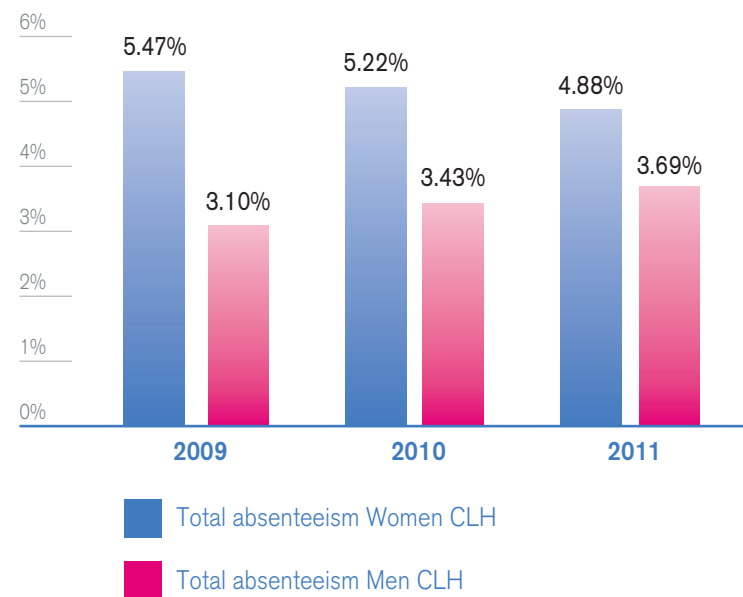
The CLH Group Occupational Health and Safety Policy is documented in the company's regulations and published on the corporate intranet. The company also has a Prevention Plan that is a tool for coordinating the actions carried out in this area.

CLH Group TFR evolution

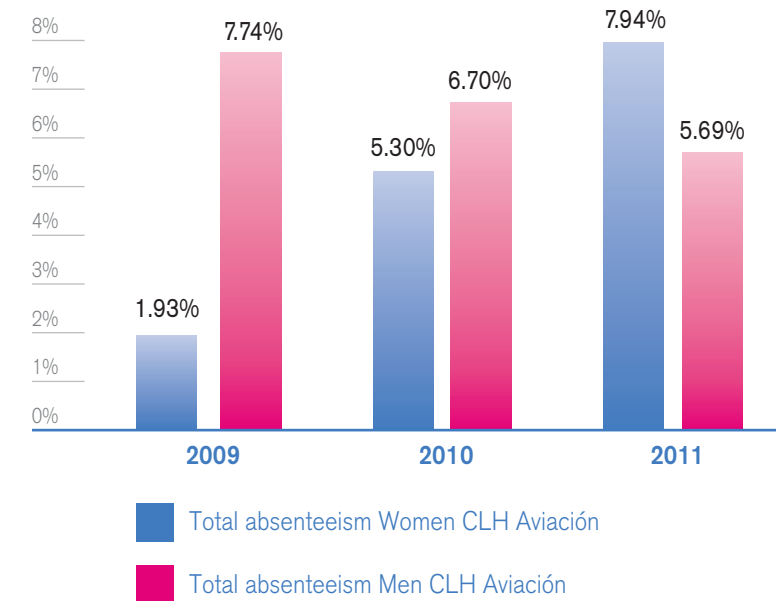


CLH accident frequency rate	2009		2010		2011	
	Men	Women	Men	Women	Men	Women
Accident frequency rate (with sick leave)	9.06	0.00	10.20	2.57	7.65	5.04
Serious accident rate	0.24	0.00	0.37	0.03	0.11	0.17

Absenteeism rates CLH S.A.



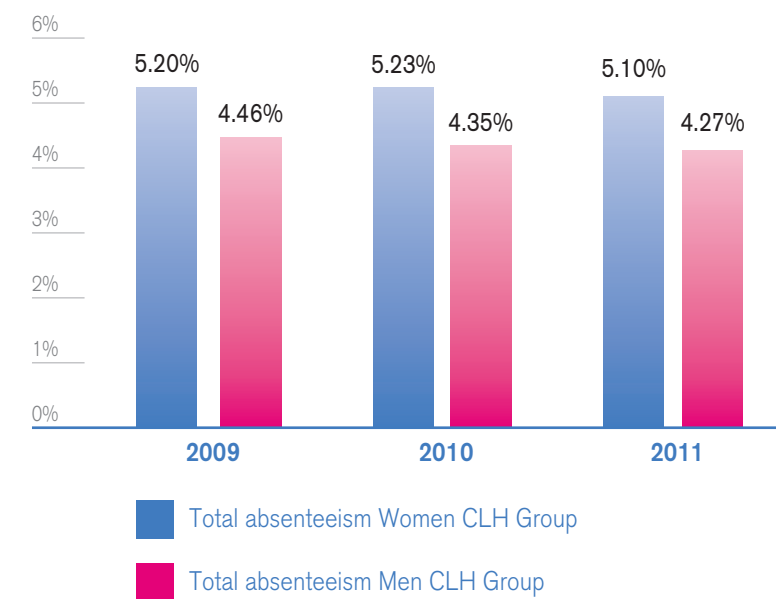
Absenteeism rates CLH Aviación



Absenteeism rates

	2009		2010		2011	
	Men	Women	Men	Women	Men	Women
<b>CLH</b>						
Total Common Contingencies	2.96%	5.21%	3.19%	5.05%	3.43%	4.66%
Total Occupational Accidents	0.14%	0.26%	0.25%	0.17%	0.26%	0.22%
Total Absenteeism CLH	3.10%	5.47%	3.43%	5.22%	3.69%	4.88%
<b>CLH Aviación</b>						
Total Common Contingences	7.26%	1.93%	6.09%	5.10%	5.37%	7.94%
Total Occupational Accidents	0.47%	0.00%	0.61%	0.20%	0.33%	0.00%
Total Absenteeism CLH Aviación	7.74%	1.93%	6.70%	5.30%	5.69%	7.94%
<b>Grupo CLH</b>						
Total Common Contingencies	4.22%	4.96%	4.01%	5.05%	3.99%	4.89%
Total Occupational Accidents	0.24%	0.24%	0.35%	0.18%	0.28%	0.20%
Total Absenteeism CLH Group	4.46%	5.20%	4.35%	5.23%	4.27%	5.10%

CLH Group Absenteeism rates





## 6.5. “Zero is Possible”

The CLH Group has developed various initiatives for occupational risk prevention in the process for continuous improvement in the conditions regarding occupational Health and Safety. In this respect, the following actions carried out in the company are noteworthy as contributions to the creation of a preventive, proactive culture that is always one step ahead in order to eliminate or reduce the risks that can give rise to accidents:

- Publication of the CLH Group Health and Safety Manual.
- Effort made in communication and circulation through regular weekly publications of Safety Contacts on the corporate intranet. As support to contacts in meetings and 5-minute talks, every week a Safety contact with advice on Occupational Health or Safety is published on the corporate portal.

- “Acerca”, the in-house magazine, is consolidated as an information vehicle for circulating news about prevention activities, in addition to the corporate intranet, the training department and the creation of the suggestions system called “Aporta” through the corporate portal.
- At the “Internal communication meetings” held with all the company managers, talks have been organized under the slogans of “Towards a new safety culture” and “Guide to visible commitment of the safety leader in the CLH Group”.
- Work has continued on monitoring accidents at the facilities, a congratulatory message being sent to the facilities that have not reported any accident.

It is also important to highlight that in 2011 the CLH Group continued developing the “Zero is Possible” project. This project is based on the organization of courses at both the facilities and head office, in order to provide training on occupational risk prevention through “behavioural workshops”. Members of the chains of command (such as facility managers), staff from the Risk Prevention, Environment and Safety Sub-Department, including technical staff from the Prevention Service, have participated in this initiative.

## Occupational health and safety training

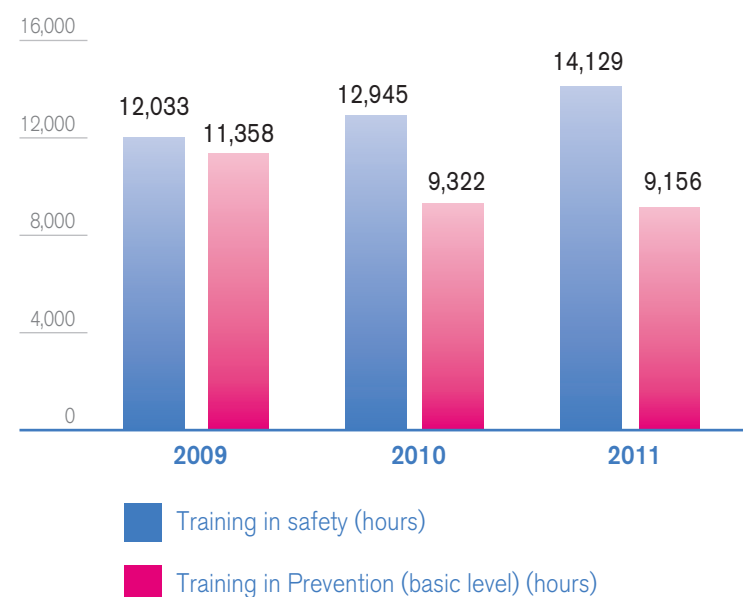
The CLH Medical Service plays an active role in occupational health and safety and, among other activities, has carried out two occupational health campaigns that were published on the corporate portal:

- “Excess weight and obesity prevention” campaign with the aim of reducing the prevalence of body weight changes among the company’s employees, demonstrating an important positive effect that is not limited solely to the work environment but is good for the general health of the population.
- “Stratification of cardiovascular risk” campaign with the aim of reducing the prevalence of cardiovascular risk among those working in the CLH Group, since it is the primary cause of death in Spain.

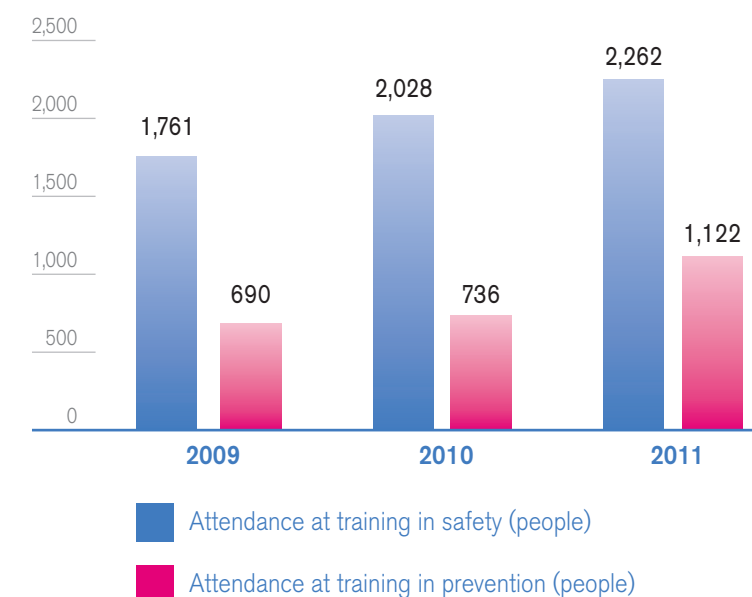
There are also various programmes for helping employees and their families in the prevention of illness, among which the most important are:

- Educating for health: Sections of the “Acerca” in-house magazine, which is sent to the home of all employees to be shared with their families. All issues are published with an article on habits for a healthy lifestyle and prevention of serious illnesses (“Take note” section) and another on risk prevention in the section called “It’s worth your while”.
- Annual medical check-up for all employees. During this annual check-up, the Occupational Medical Service, which is part of the Prevention Service, detects any ailments the employee may be suffering from and gives the necessary advice, according to the pathology and whatever its origin.

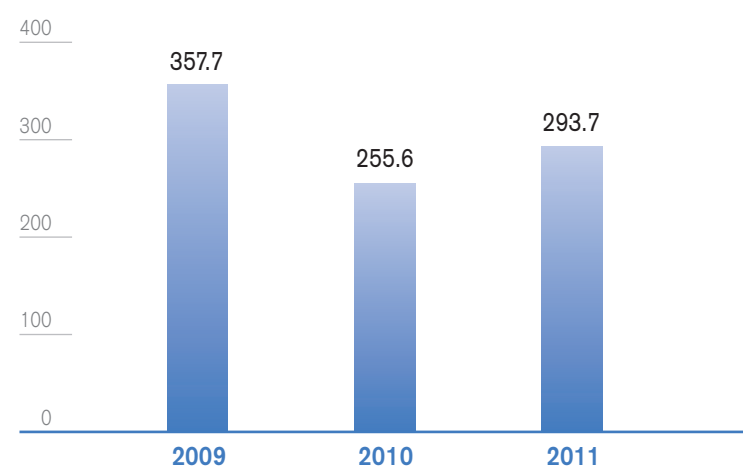
**Training in Occupational Health and Safety (hours)**



**Training in Occupational Health and Safety (people)**



**Investment in occupational health and safety training**  
Thousands of euros





## notables cases

### OHSAS 18000:2007 certification

In 2011, Compañía Logística de Hidrocarburos obtained certification according to the OHSAS 18001:2007 standard for its Health and Safety Management System. This certification confirms the effort made by the company to achieve a safe and healthy work environment by identifying and controlling risks to health and safety, reducing the potential for accidents and improving performance in general.



The OHSAS 18001:2007 (Occupational Health and Safety Assessment Series) standard is considered the highest level of international requirement on occupational risk prevention and includes the definition of the responsibilities and structure of the organization, planning activities, practices and procedures for developing, reviewing and maintaining the safety and occupational risk prevention policy of the organization.

### Fostering the prevention culture in the CLH Group

#### World Day for Health and Safety at Work

To celebrate World Day for Health and Safety at Work, the CLH Group distributed among all the company's employees a copy of the book entitled "The Great Silence", written by Joan Junyent, an engineer specializing in occupational risk prevention.

Through this initiative, the firm gives a further boost to its safety policy and raises awareness about the importance of prevention in order to avoid accidents.

#### Recognition for the safest facilities

The CLH Group awarded prizes to the 16 company centres that have not recorded any occupational accident for five consecutive years, the prize being handed over to each of the respective managers.

Recognition is given in this way to the effort made by the entire company to put an end to occupational accidents and promote a "zero accidents" culture.





## 7. Responsible management of Human Resources

### Our Approach

*The CLH Group business project becomes a reality thanks to the commitment of its human team. The company therefore aspires to offer its employees a satisfactory working environment and an attractive professional career through its policies for training, career development, attracting and retaining talent and occupational health and safety.*

### 2011 milestones

- Negotiation and signing of the Collective Bargaining Agreements for CLH (2010-2015) and CLH Aviación (2010-2014).
- Negotiation and signing of the Equality Plans in CLH and CLH Aviación.
- Renewal of the EFR (family-responsible company) Certificate and improvement in the rating by two levels, up to the "proactive company" level.
- Implementation of the new system for assessment by competencies: "Supera-T" (Excel yourself) Project.
- Promotion to 40<sup>th</sup> place in the 2011 Merco People Ranking of the 100 best companies to work for in Spain.

### Challenges posed for 2012

- Implementation of the new Management through Targets system.
- Negotiation of the new Employment Plans in CLH and CLH Aviación.
- Deployment of the measures included in the Equality Plans.
- Launching of the new employee Portal.
- Further development of inter-departmental horizontal communication.
- Completion of the "+efficient +strength" project for organizational redesign.

### Degree of compliance with the challenges posed for 2011

#### Degree of compliance:

● Achieved

◐ In progress

○ Not started

### Actions carried out for achieving these goals

● Negotiation of CLH and CLH Aviación Collective Bargaining Agreements.	●	Signing of the CLH Collective Bargaining Agreement on 05/05/2011.
	●	Signing of the CLH Aviación Collective Bargaining Agreement on 19/07/2011.
● Negotiation of the Equality Plans.	●	Signing of the CLH Equality Plan on 05/05/2011.
	●	Signing of the CLH Aviación Equality Plan on 19/07/2011.
● Renewal of EFR certification.	●	Renewal of EFR Certification.
	●	Improvement in the rating by two levels to "B-Proactive Company".
● Implementation of the new system for Assessment by Competencies: "Supera-T" project.	●	Design/Configuration of the assessment tool.
	●	Training of users in November and December 2011.
	●	Launching of the application in December 2011.

## 7.1. Evolution of the CLH Group workforce

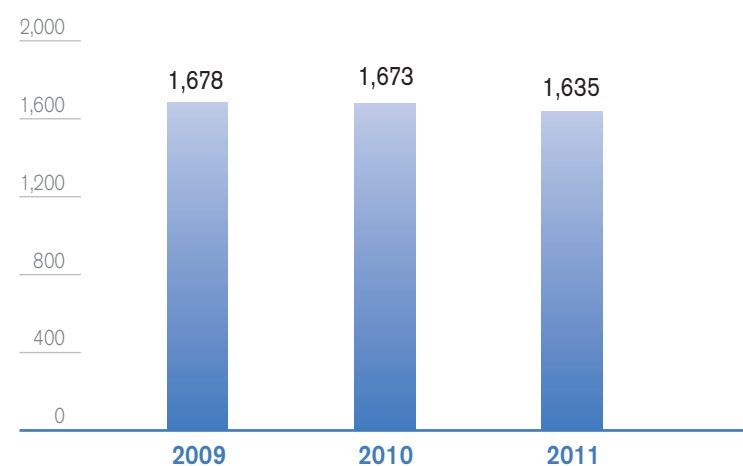
People management is a key aspect in the corporate social responsibility strategy of the CLH Group. The company actively promotes responsible management in this sphere in the different business units, under the premises of ethical conduct contained in the Mission, Vision and Values. It should be noted that during 2011 a new CLH Group Code of Conduct, that serves as a reference in performing daily tasks, was distributed to all members of staff with the launching of a pack containing the company's Policies and Mission, Vision and Values in addition to a copy of the Code.

The fundamental values of the CLH Group in human resources management are based on the right to non-discrimination for reasons of race, nationality, ethnic origin, age, religion, gender or civil status. In this respect, the company's complaint channels have no record of any incident of discrimination or forced labour occurring in the CLH Group during 2011.

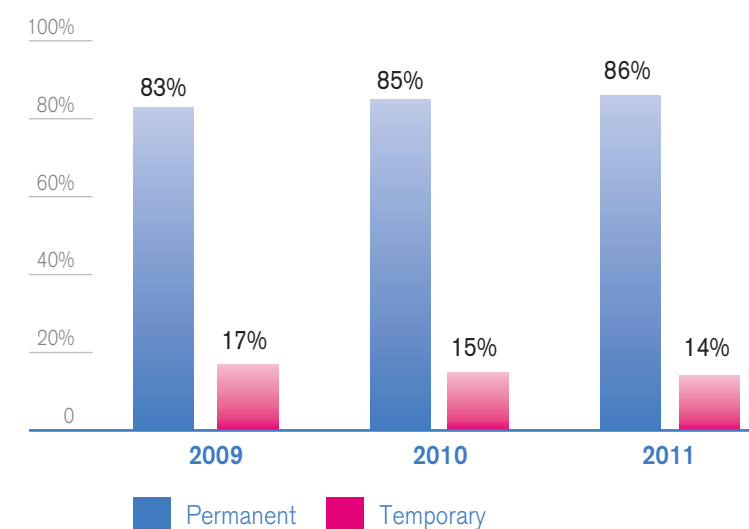
### Characteristics of the workforce

There were 1,635 professionals (sum of permanent and temporary employees) in the total CLH Group workforce recorded at the end of 2011, which represents 2.3% fewer than in the previous year. In 2011, there were 223 employees in situation of partial retirement in the context of the application and implementation of the Partial Retirement Plans with Replacement contracts, which the company started up in 2007 and renewed in 2010 in agreement with the trade union representatives, and which will remain in force until 2012.

No. of employees CLH Group



Percentage distribution by contract type CLH Group



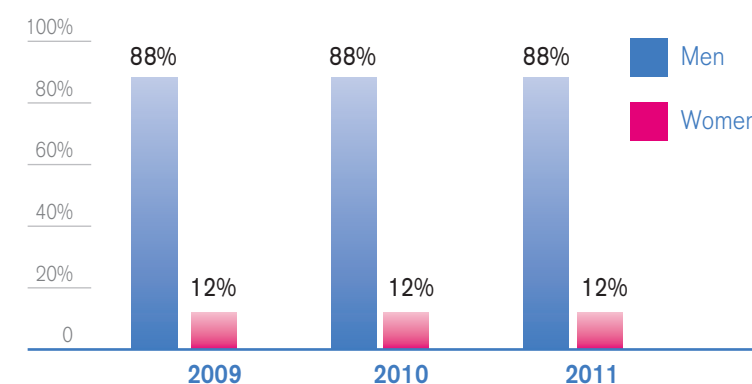
These employment plans were drawn up on account of the low staff turnover rates experienced by the company during the previous fifteen years, which caused the average employee age to be over fifty years. The application of these plans, that have a high rate of acceptance among the employees, is having direct, quantifiable results that are summarized in the following diagram:

### Replacement plan in the CLH Group

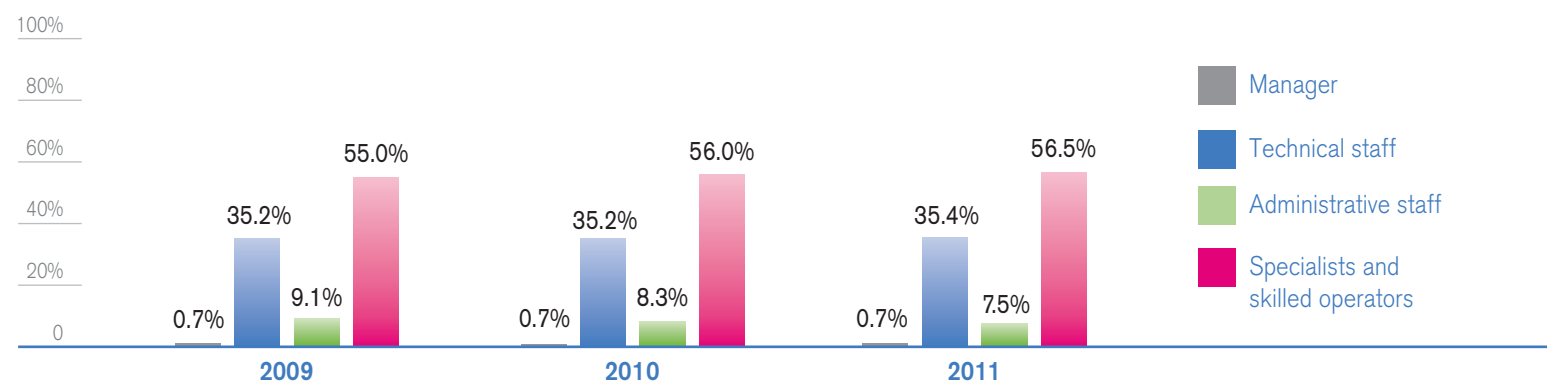
- Significant rejuvenation of the work force: average age 44.9 years
- Renewed teams that are aligned with the new corporate culture.
- Increase in average training and professional level.
- Reduction of absenteeism.
- Optimization of workforces.

Another noteworthy fact that is attributable to this process is the increase in the diversity of the workforce, which is mainly due to the increase in recent years of the number of women who take up employment. This fact is being noticed more clearly in the latest recruitments made in the company, particularly as regards technical positions.

Percentage distribution by gender CLH Group



Percentage distribution by groups CLH Group



Staff diversity indicators	2009	2010	2011
% International employees	0.40	0.50	0.9
Average age	46.5	45.6	44.9
% of women in recruitments for technical positions	29%	36%	39%

Percentage distribution by groups and gender CLH Group	2009		2010		2011	
	Men	Women	Men	Women	Men	Women
Manager	0.7%	0.0%	0.7%	0.0%	0.7%	0.0%
Technical staff	29.4%	5.8%	28.9%	6.2%	28.3%	7.1%
Administrative staff	3.9%	5.1%	3.5%	4.8%	3.1%	4.4%
Specialists and skilled operators	53.9%	1.1%	54.8%	1.2%	55.5%	0.9%

## 7.2. Human Resources Policy

The CLH Group is aware of the importance of having the best professionals in a sector such as the energy sector which is so competitive, and so it continuously devotes its efforts to offering the employees a quality job and the means to develop their professional career.

Throughout 2011 the company strengthened its links with vocational training teaching centres and universities, maintaining the 68 and 23 collaboration agreements, respectively, already signed with these organizations. These agreements have provided students with the opportunity of undergoing their periods of practical training at the CLH Group facilities and gaining relevant professional experience.

Participation in the “Erasmus Recruiting” Project can be emphasized in this respect, as it allowed 27 university students from different degree courses to receive scholarships for getting practical experience in the company after having gone through an international university experience.

Another noteworthy initiative is participation in different career fairs organized for helping young graduates to access the labour market such as, for example: INDUFORUM 2011 (Madrid School of Industrial Engineering (ETSII) Industrial Career Fair, and the 4<sup>th</sup> Vocational Training Career Fair organized by the Madrid Regional Government (Ministry of Employment, Women and Immigration).

Also, during 2011 the number of workers holding permanent contracts increased to 86% of the workforce. This percentage rises to 92% if replacement and practical training contracts, that clearly stand a chance of becoming permanent contracts, are taken into consideration. Out of the 221 temporary contracts, 37 are replacement contracts and 49 are for practical training.

### Permanent staff resignations CLH Group (2011) broken down by gender

	2010		2011	
	Men	Women	Men	Women
Total turnover	59	10	59	9
Turnover rate	4.8%	5.3%	4.8%	4.7%

### Permanent staff resignations CLH Group (2011) broken down by age group

	2010			2011		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Total turnover	2	4	63	2	4	62
Turnover rate	1%	1%	8.7%	0.9%	0.9%	8.6%

**Talent retention**

	2009	2010	2011
Average length of service (years)	21	20	18
Voluntary Turnover (undesired resignations)	0.2%	0.4%	0.7%

Two data items that reveal the high level of talent retention in the company are: the low rates of undesired staff turnover recorded during recent years, and the average length of service of employees in the CLH Group.

The starting salary in the CLH Group (the starting salary that must be offered to a full-time employee and in the lowest professional group and level) is 18,272.05 euros per annum, which represents double the minimum inter-professional salary approved by the Government, which was 8,979.60 euros per annum in 2011. Besides this, in the CLH Group the basic salary is the same for all employees in each professional group and development level.

One of the top priority aspects in the selection processes carried out in the company is the recruitment of people who were either born or live in the same geographical area as they are going to work. In 2011, 94% of all contracts signed by the company were completed locally, this measure achieving the following:

- It helps in reconciling work and family life.
- Less time is spent travelling between work and home.
- There is more loyalty and stability among the employees.

On the other hand, as an EFR (Family-Responsible Company) firm the CLH Group offers its employees a large variety of social benefits and measures for reconciling their family, personal and working life.

**CLH Group staff recruitment**

	2009			2010			2011		
	Total	Local	%	Total	Local	%	Total	Local	%
CLH	91	87	96	101	99	98	82	75	91%
CLH Aviación	10	8	80	13	13	100	38	38	100%
<b>Total CLH Group</b>	<b>101</b>	<b>95</b>	<b>94</b>	<b>114</b>	<b>112</b>	<b>98</b>	<b>120</b>	<b>113</b>	<b>94%</b>





## Collective bargaining

The company has two company collective bargaining agreements to which all employees are subject, with the exception of those who, because of the characteristics and responsibilities of their job, have their working conditions included in an individual contract and are therefore excluded from the collective agreement.

The trade union sections and staff representatives in the CLH Group have their activity guaranteed, as it is protected by Spanish laws and the Company Collective Bargaining Agreement, acting in accordance with these rights. 87% of all CLH Group employees fall under the collective bargaining agreement system. A noteworthy event in 2011 was the signing of new Collective Bargaining Agreements for CLH and CLH Aviación, which will be in force until 2015 and 2014, respectively.

### Collective bargaining in the CLH Group

	2009	2010	2011
Employees covered by collective bargaining agreements	1,455	1,451	1,416
Percentage	87%	87%	87%

## Equality

During 2011, the CLH Group signed the Equality Plans corresponding to its two companies, as well as a "Protocol for action to prevent harassment at work" for the Group, also achieving broad consensus in both cases with the trade union bodies which also signed the agreement.

In this way, the company's commitment to offer a professional career and work environment that gives equal opportunities to men and women is consolidated through its policies for selection, training and career development, attracting and retaining talent, reconciliation and job security.

## 7.3. Training and career development

Through its human resources policy, the CLH Group has drawn up a programme for professional career development whose aim is to promote the professional development of its employees. The aim of this programme is threefold:

- To equip the company with the best trained human resources for tackling the complex, innovative and ever-changing technological, economic and business reality.
- To develop professional skills for doing an efficient job.
- To motivate its employees in personal and job terms through a real possibility of career development and economic promotion, through the appreciation of their experience and ability to fulfil the objectives marked out by the company.

During the last six years, the CLH Group has gradually increased its investment on training per employee, which was 3.1% higher in 2011 than it was in the previous year. The total investment on training was over one million euros in 2011, which is a remarkable amount in relation to the company's turnover and staff volume and one that holds steady over time.



Among the training programmes aimed at training in competence skills that the company offers to its employees, one of the most prominent is the “Lead in order to Motivate” training programme for managers, the first phase of which was addressed to all technical staff with leadership responsibilities and from 2009 onwards was extended to middle management and to the new recruits to positions of responsibility. Its aim is multiple: to strengthen their ability to manage people, equipping them with communication tools, involving them in the message transmission chain and making an in-depth study of the mechanisms of motivation. All of this aims at improving the level of employee satisfaction and optimizing team management.

Other training activities that focus on improving competence skills are also being carried out. During 2011, special emphasis has been placed on skills such as planning and organization through the course called “The 7 Habits of highly effective people”, negotiation and decision-making through other training actions:

- Managerial development programme for employees with high potential: the company finances 100% of the cost of these programmes at management schools.
- Training plan for new recruits: In addition to being heavily weighted on the theoretical side, the design of the initial training plan has practical, personalized scope and introduces

the figure of the personal tutor and other measures.

- Study assistance: the company supports its employees' initiative and offers financial assistance to enable them to undertake the studies they consider to be of interest and applicable for the company.

#### Investment in training in the CLH Group (in Euros)

	2009	2010	2011
Investment per employee	568	593	611
<b>Total investment</b>	<b>1,005,511</b>	<b>1,010,945</b>	<b>1,025,663</b>

#### Average training hours in the CLH Group broken down by gender

	Men	Women
CLH	39	51
CLH Aviación	28	40
<b>Total CLH Group</b>	<b>36</b>	<b>50</b>

#### Average training hours in the CLH Group broken down by group

	Men	Women
Manager	113	0
Technical staff	31	34
Administrative staff	18	32
Specialists and skilled operators	38	242

## A unique career development model

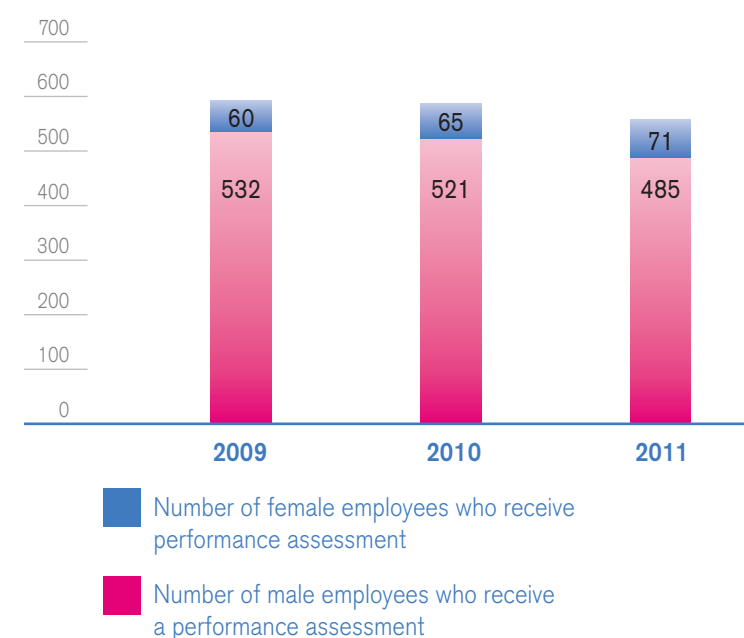
The CLH Group actively promotes the development of its employees both within their professional group and in promotion to higher groups through periodically setting promotion and development activities which they must complete successfully. This enables the employees to demonstrate the degree of ability achieved, an assessment being made of their experience and recognition given to the quality of their performance.

The company also takes trade union participation into account through a Joint Committee for Classification and Career Development for providing information, making consultations and monitoring professional promotion and development processes. This Committee

comprises six members, three appointed by the company and the other three by the trade union sections.

During 2011, a total of 53 people were promoted to positions involving greater responsibility. In addition, a total of 9 employees were promoted to a higher professional group, and there were others who moved up to a higher level of development by complying with the procedures defined in the collective bargaining agreements.

In line with the best practices in the sector, the CLH Group makes regular assessments of the performance and career development of its employees. In 2011, 34% of the CLH Group employees were given a formal assessment of performance.



## CLH Group performance assessment

	2009		2010		2011	
	Men	Women	Men	Women	Men	Women
Average Active Workforce (a)	1,557	214	1,498	206	1,470	208
Number of employees who receive a formal assessment of performance and review during the period (b)	532	60	521	65	485	71
Percentage of employees who receive a formal assessment of performance and review during the period (b/a)	34%	28%	35%	32%	33%	34%

## Assessment of performance in the CLH Group divided by average active workforce





An important new item in 2011 was the introduction of a new course initially addressed to employees who need to develop the “decision-making” skill, its aim being to equip them with new techniques that help them improve their decision-making process.

On the other hand, at the end of 2011 the CLH Group introduced the “Supera-T” platform. This application is designed for managing performance assessment in the CLH Group and is based on a new competency model.

The new platform also makes it possible to design an individualized career development plan for each employee, which will help him/her to improve the key skills for doing their job efficiently.

## 7.4. Commitment to a flexible work environment

The reconciliation of working, personal and family life is promoted in the CLH Group through various measures that are favourable towards more flexible working environments, diversity and non-discrimination, all of which are included in its human resources policy and in the company’s collective bargaining agreements.

Similarly, and in order to help achieve greater employee satisfaction, a voluntary transfer plan was started up to enable people posted far away from their places of origin to be able to move closer and be reunited with their families.

Maternity protection is also present in the company’s culture. Therefore, if the job entails working under circumstances that might have a negative effect on the health of the pregnant woman or her unborn child, the working conditions are changed or the person concerned can move to another job, without this affecting the salary conditions the employee is acknowledged to hold. Another conciliatory measure is the possibility of requesting extended leave of absence of up to three years because of a birth or child adoption.

The protection of workers who are particularly sensitive to work-related risks, because of their own personal characteristics or physical condition, including those who are officially acknowledged as having a physical, mental or sensory disability, is also specifically guaranteed.



In this way, all employees can enjoy the following advantages, among others:

### Advantages for employees

- Paternity and maternity leave, as well as leave of absence because a family member is seriously ill, time off for moving house or time off for sitting advanced examinations in accordance with the provisions of the legislation in force.
- Kindergarten voucher.
- Help towards paying the cost of schooling for children up to age 24 and study aid for employees.
- Life and accident insurance.
- Medical insurance under advantageous conditions.
- Car park spaces for all employees.
- Complement to public benefits when employees are off work because of illness or an accident.
- Full salary is paid during maternity and paternity leave.
- Flexi-time at the beginning and end of the working day at head office.
- Continuous work day during the three summer months.
- Extended leave of absence for looking after family members.
- Flexible holiday calendar.
- Assistance for promoting sport among the employees.
- Pension scheme.
- Subsidized holidays programme.
- Meal compensation.
- Help for handicapped family members.

In recognition of its human resources policy, in 2008 the company obtained the Family-Responsible Company certificate which is awarded by the +family Foundation. This is a private, independent organization that endorses the company as one that is committed to promoting the reconciliation of personal, family and working life.

The CLH Group renewed its EFR certificate in 2011, this time achieving a B-Proactive Company rating, two levels above the initial rating obtained in 2008. Besides this, and ratifying its commitment, CLH takes an active part in the EFR Forum of this foundation.

The company continues working on new projects that help to provide families with support and help employees to find a better balance between their working and family life. In 2011, and through Human Resources Management, the "Days off school" and the University for Parents initiatives were introduced, this latter in collaboration with the University for Parents Foundation.





To publicise these measures and make them accessible and known to the employees, the company has started up a new space that is specific for conciliation on the corporate portal. It is called the “EFR space”, and through it the employees can obtain information and take advantage of the EFR measures that are available.

It is important to stress that the effort made by the CLH Group during these last few years has been viewed positively in the latest results of internal satisfaction surveys and has moved up from the 2.57 points given 2007 to 2.90 in 2010.

The company has a “meetings model” for moving ahead with the culture of reconciliation and the efficient management of time. This model seeks to improve the productivity and efficiency of work meetings since it values, respects and optimizes everyone’s time, which brings tangible and intangible benefits to the company and its employees.

Lastly, as a guideline to be followed by the people in charge of other employees, the Leadership Model approved by the company provides for giving support to reconciliation of the personal, family and working lives of their co-workers.

## 7.5. Internal communication

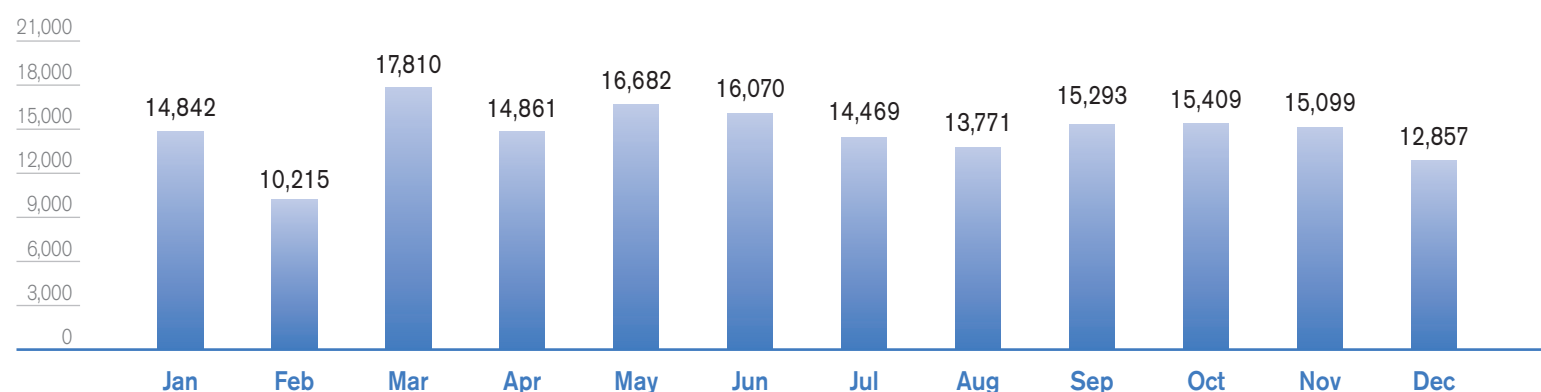
During 2011, the CLH Group continued promoting communication with its employees through holding a communication meeting, which was attended by around 151 company employees. The contents of this meeting are shared with the other employees through meetings held with their superiors, and through the corporate portal.

In addition, the corporate magazine “Acerca”, which is published quarterly, is a platform for giving regular coverage to news about the sector and the company, actively encouraging the employees to participate and including practical advice for them in their personal and working lives.

Also, the “Breakfasts with the Chairman” programme, in which 127 people participated this last year, gives those attending the opportunity of getting first-hand news about the strategy and aims of the company and making proposals and suggestions. Any employee can ask to attend these meetings.

On the other hand, four “executive encounters” were held throughout 2011 in which the company’s executives were able to hold talks with prominent representatives of Spanish business society.

Number of times the corporate portal was accessed in 2011





## a notable case

### Aligning people with strategy

It is of great importance for the CLH Group for its employees to share the vision, mission and values of the company they work for. The company therefore endeavours to develop the kind of management that promotes the professional growth of all its employees.

In this area, one of the basic aims of the company in recent years has been the creation and distribution of a Dictionary of Skills that is aligned with the company's strategy and the CLH Leadership Model. Under the motto Growing Together, this constitutes a backbone for the processes used for selecting, training and developing people.

This unifying endeavour has made it possible to establish a single assessment system in which the people who hold the various standard jobs are assessed according to measurable and objectifiable types of conduct, weighted according to their frequency and appropriateness and grouped into four generic and eight specific skills.

The aim of this new skills model, which is inspired by the CLH Group values, is for everyone to be an active, strong partner in the corporate strategy.

The cooperation of everyone in the company has been key in its design, meaning that it has been possible to establish, through the project team leader and the numerous focus groups with their knowledge of the business and experience, a complete skills model that the different groups in the organization will find easy to use.

## 8. The CLH Group contribution to society

### Our Approach

*The CLH Group's commitment to society becomes a reality through solidarity initiatives in which the company's employees participate, and various projects for collaborating in the sphere of society and the environment in the areas where it is present.*

### 2011 milestones

- To continue developing the "Together, we move our most valued energy" project.
- To continue developing the Relations with Local Communities Plan.

### Challenges posed for 2012

- To continue with the "Together, we move our most valued energy" project. Collaboration with more than 10 associations.
- To continue developing the Relations with Local Communities Plan. For over 500 meetings to be held with stakeholders.
- To start up a Corporate Volunteer Plan.

### Degree of compliance with the challenges posed for 2011

Degree of compliance:

- Achieved
- In progress
- Not started

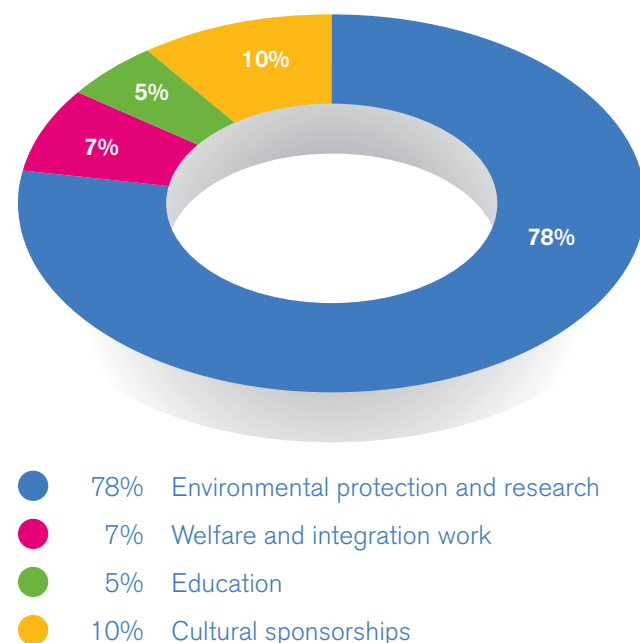
### Actions carried out for achieving these goals

- |  |  |  |
|--|--|--|
| Development of the "Together, we move our most valued energy" project. |  | Collaboration with 16 associations in 2011.  |
| Second edition of the "We Move Energy" exhibition.                     |  |  |
| Development of the Relations with Local Communities Plan.              |  | Around 650 meetings were held with stakeholders in the vicinity of the facilities. |

## 8.1. Social action policy in the CLH Group

As part of its Corporate Social Responsibility policy, in 2011 the CLH Group participated in projects related to the environment, culture, education and social work initiatives that are in harmony with its Mission, Vision and Values, and with the ten principles of the United Nations World Compact.

CLH Group Distribution of expenditure on Social Action in 2011



In 2011, 78% of the company's social action budget was devoted to activities for circulating information about environmental protection and research. This increase is due to the company's participation in IREC (Catalonia Institute for Energy Research). 10% was spent on cultural sponsorships, 7% went to welfare and integration work and 5% to education.

## 8.2. The CLH Group contribution to society

The CLH Group reconciles the performance of its logistics activities with setting up free-flowing dialogue with the towns where its activity is carried out, with a view to finding out and meeting the needs of its main stakeholders and fostering a better knowledge of the company.

When planning any project, the CLH Group opens up a consultation period with the local communities that are directly involved in order to find out their opinion and expectations, while at the same time studying and bearing in mind the suggestions for improvement that have been received.

Besides this, the company carries out its projects with utmost respect for the environment. Therefore, environmental criteria are taken into account when building or

improvement work has to be carried out on its infrastructures. In addition, in some locations the facilities have been transferred to other outlying areas away from the urban centre. More specifically, the company has carried out dismantling work and landscaping on the land formerly occupied by the old storage facility in Muskiz (Biscay), which has made it possible to recover an area of marshland at the mouth of the River Barbadún, next to the beach known as "La Arena".

The CLH Group plans the execution of similar action at the old storage facility in Burgos, which ceased operating in 2011 after a new centre with larger capacity had been built. The same will be done on the land formerly occupied by the old Cala Figuera facility in Mahón (Minorca) and also on the land occupied by the plant situated in Salamanca which is shortly to be transferred.



## Commitment to renewable energies

In recent years, one of the CLH Group commitments regarding the environment has been the development of renewable energies. Early in 2011, the company started storing and dispatching gasoline blended with bioethanol at the 9 storage facilities that had been adapted for offering this type of service. In addition to these centres, another 13 plants have been adapted for the transportation and storage of diesel with biodiesel and are already in operation.

Similarly, the company is one of the firms that are participating in the government-led initiative to promote aviation biofuels. This project aims to reduce air traffic emissions and achieve a diversification of raw materials.

In conjunction with other Spanish energy sector companies, the CLH Group has also created the Energy and Environmental Sustainability Foundation, a new research and analysis centre for new forms of energy that are more respectful of nature. This institution aims at becoming a reference centre in this field and will complete its activities with actions for training, stimulating debate and opinion-forming addressed specifically to public and private decision-making bodies.

## “Together, we move our most valued energy”

For five years now, the CLH Group has been developing the sponsorship and social action plan known as “Together, we move our most valued energy”, through which it supports solidarity projects organized by associations and non-governmental organizations in which its employees do voluntary work.

### Collaborations in the framework of the “Together, we move our most valued energy” plan

- Instituto de Psico-Pediatría Doctor Quintero Lumbreras.
- Asociación de Jóvenes Especiales “Abriendo puertas”.
- San Fernando de Henares Town Council - Realmadrid Foundation.
- Inter-company tournament organized by the NGO “Action Against Hunger”.
- Pallejá Town Council, for running several workshops designed for senior citizens.
- University for Parents Foundation.
- Cystic Fibrosis Association of Catalonia.
- Solidarity International.
- Madrid Bipolar Association.
- Minorca Solidarity Platform. “Menorca Basquet SAD”.
- Cortes District Residents’ Association, Burgos.
- Action Against Hunger.
- Malaga Association of Friends of the Saharawi People.
- Delwende.
- Alas Foundation, Moratalaz.
- “Madre Coraje” Association.



One of the most noteworthy initiatives undertaken in 2011 is the assistance given to the Instituto de Psicopediatría Dr. Quintero Lumbreras, a child psychology organization, in setting up workshops for improving the autonomy and living conditions of people suffering from an intellectual disability. These activities were used to develop their skills in different areas such as the home, health and looking after themselves, the aim being to teach them how to cope with the tasks of daily living.

The company also supported the Asociación de Jóvenes Especiales de Moguer “Abriendo puertas” (“Opening Doors”, the Moguer Special Young People’s Association), which works to integrate people with a physical, mental or sensorial disability, training and teaching them how to do a job. The help provided made it possible to buy an air compressor that optimizes the work undertaken by the associates at the job centre, improving their safety and increasing the quality of the products they make.

CLH also signed a collaboration agreement with San Fernando de Henares town council and the Realmadrid Foundation for the creation of a social integration school in this town, intended for use by girls and boys aged between 6 and 14 years, half of whom are immigrants or at risk of social exclusion. The company also reached an agreement with Pallejá (Barcelona) town council for holding a number of workshops designed for senior citizens, with the aim of developing healthy habits, promoting activities for avoiding social isolation and a sedentary lifestyle, and introducing those participating to the new technologies.

On the other hand, the company competed in the Inter-Company Tournament organized for charity by the NGO “Action Against Hunger” for yet another year. The money raised from the registration fees went towards child nutrition projects being carried out in the 40+ countries in which this organization works.

CLH also gave its support to the University for Parents Foundation, which was created by the philosopher José Antonio Marina to guide families in bringing up their children, by subsidising part of the enrolment fee of the company employees who were interested in signing up.

## Collaboration with cultural institutions

The CLH Group collaborates as a benefactor member in various cultural institutions, such as the Teatro Real Foundation, the Friends of the Prado Museum Foundation, the Royal Association of Friends of the Reina Sofia National Museum and Art Centre and the San Millán de la Cogolla Foundation. It also holds a collaboration agreement with the Albéniz Foundation for providing support in training promising young musicians.

On the science side, the company is a founder member of the “Pro Rebus Academiae” Foundation and is on the board of trustees of the Catalonia Institute for Energy Research (IREC), a reference centre in research on energy efficiency and renewable energies.

One of the main activities being carried out by the company, in association with the National Energy Commission, is the recovery and web publication of the Historical Archive of Hydrocarbons, in order to bring the history and evolution of the Spanish oil sector closer to the public at large. This initiative was rewarded with the 2011 Autelsi Prize, in the project with the greatest social or environmental commitment category, which is awarded by the Spanish Association of Telecommunications Users and the Information Society.





CLH has also published a new volume in the series devoted to raising awareness about the importance and value of nature, which on this occasion is the book called "Pollen. The Hidden Sexuality of Flowers".

### Education, investing in our future

The most important actions promoted by the CLH Group in the field of education include the agreements the company holds with the Regional Government of Rioja's Ministry of Education, Culture and Sport and with various vocational training centres to enable their students to receive practical training at the Group's facilities.

The company is also a participant in the "Erasmus Recruiting" programme, which makes it possible for young university students, who have undertaken part of their studies abroad, to win a scholarship to work in the company and be able to broaden and complement their theoretical knowledge with practical training.

Besides this, and to help vocational training students and university graduates access the working world, the company regularly puts in an appearance at career and training fairs, where it provides information and collects application forms and CVs from students who are interested in working for the company.

On the other hand, the company organizes visits from different schools of engineering, university faculties and other education centres on a regular basis, at which the functioning and infrastructures of the Group are explained to them. During 2011, several facilities were visited by students from university faculties and education centres such as the School of Aeronautical Engineering at Seville University; the Autonomous University of Madrid's Department of Environmental Sciences; the Polytechnic University of Madrid's Master's Degree course on Energy Engineering; the Advanced Course on the Energy Business, which is given by the Spanish Energy Club; or the Master's Degree course on Pipe Engineering, which is sponsored by CLH, at the University of Zaragoza.

The company also sponsors the CLH Chair in Hydrocarbon Metrology, in association with the Polytechnic University of Madrid. Teaching in this subject is given at the School of Mining Engineering and includes the possibility of students undertaking practical work, and also

being awarded a scholarship for doing final-year project work. In order to improve the training given in this subject, in 2011 the Chair inaugurated a new Laboratory Classroom where practical training in metrology and industrial calibration is given.

Lastly, and with a view to supporting technological research, the company finances final-year project work related to micro-robotics that is being prepared by vocational training students.



## a notable case

### Social Integration School in San Fernando de Henares

In 2011, the CLH Group started up the Social Integration School in San Fernando de Henares in association with the local Town Council and the Real Madrid Foundation.

The purpose of this centre is to promote tolerance, understanding and the integration of immigrant children and their families through playing football with Spanish students. This project offers the youngest members of that society a healthy alternative for filling in their spare time while also associating with other children.

The new school in San Fernando de Henares currently has 100 scholarship-holding children from different segments of the population who do not pay any enrolment or monthly fees.

Training sessions are held on a weekly basis throughout the year, and from February to May a football tournament is held at the Real Madrid Sports City together with other Social Integration Schools.

In parallel with practising sport, the project is completed with a varied programme of activities designed to make the integration of the participants and their families a reality, and which includes outings and talks about education, nutrition or the prevention of drug addition, for example.

The Social Integration Schools are an initiative implemented by Real Madrid over more than a decade ago, which is enabling football to be used as a tool for improving the living conditions of disadvantaged groups and promoting equal opportunities.



## 9. Commitment to environmental protection

### Our Approach

*The CLH Group assumes commitments in order to be recognized as a company that is committed to the environment, thereby aligning itself with the concerns of society and other stakeholders. To achieve this, the company encourages solutions for reducing the use of natural resources, minimizing its emissions, and endeavours to use resources, technologies and processes in a way that is respectful and responsible towards the natural and social environment, all of which serves to guarantee the sustainability of its activity.*

### 2011 milestones

- Renewal of ISO 14001 certification.
- Completion of landscaping on the land where the storage facility in Somorrostro (Biscay) used to stand.
- Completion of soil remediation work on the land formerly occupied by the storage facility in Santurce (Biscay).

### Challenges posed for 2012

- Completion and assessment of the R&D&i project on "New environmental soil recovery techniques".
- Execution of an energy saving and efficiency plan in order to optimize the use of natural resources.
- Start of work on soil characterization and decontamination on the land formerly occupied by the old facilities in Mahón and Burgos.

### Degree of compliance with the challenges posed for 2011




Degree of compliance:

 *Achieved*

 *In progress*

 *Not started*

### Actions carried out for achieving these goals

- |   |   |   |
|---|---|---|
| To pass the audit for renewal of the Environmental Management System certification according to the ISO 14001 standard. |  | Certificate obtained.   |
| Completion of landscaping work on the land formerly occupied by the old storage facility in Somorrostro (Biscay).       |  | Basque Government Resolution on the environmental quality of the soils. |
| Completion of soil remediation work on the land formerly occupied by the old storage facility in Santurce.              |  | Basque Government Resolution on the environmental quality of the soils. |



## 9.1. Respect for the environment and its resources

The activities of the CLH Group have little environmental impact, as the transportation of oil products is largely carried out using its extensive pipeline network which is the safest and most environmentally friendly method of transport.

The CLH Group has an environmental policy that is part of its sustainable development strategy and has an extensive sphere of application. This policy is applied from the outset of any project through the Environmental Impact Studies that influence the entire development and decision-making process in order to correct or reduce any possible present or future environmental impacts. In this respect, the CLH Group studies various alternatives before starting on any new project and selects the one with the least impact.

The CLH Group places great importance on environmental monitoring during execution of the building works and applies internal contractor control procedures. This means that corrective measures can be used for minimizing their impact. Besides this, when pipeline building works have been completed, the land is restored to its original state and local species are planted on the affected area.

Lastly, controls are carried out subsequently in order to verify and guarantee that the measures adopted are working properly.

### Environmental expenses and investments

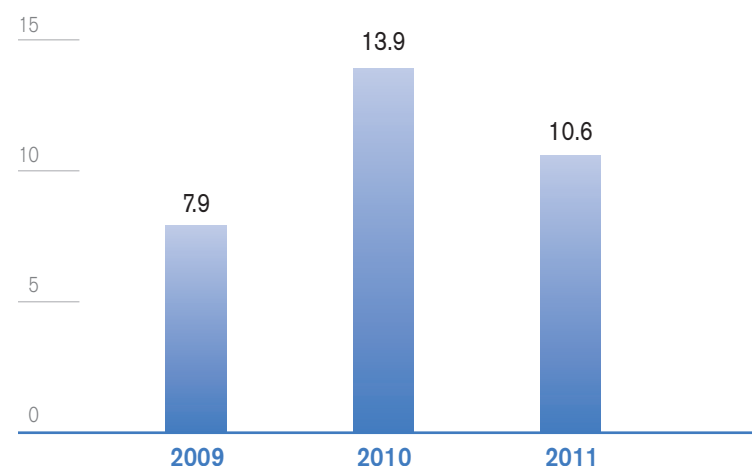
During 2011, the CLH Group invested 10.63 million euros on various projects of an environmental nature, this figure representing 23.5% less than in 2010, mainly due to completion of the programme for introducing biofuels at the facilities, which ended in 2010.

#### Investments in environmental matters

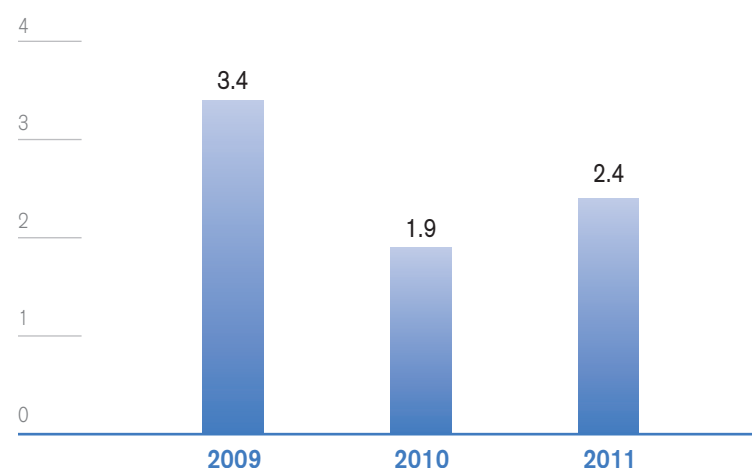
- Integrity improvements in pipeline lines.
- Replacement of pipe sections in the pipeline.
- Environmental protection of the storage and airport facilities.
- Adaptation of facilities to provide service for blending bioethanol with gasolines.
- Integrity improvements in the pipeline network; adaptation of water networks and treatment systems.
- Control of environmental quality in effluents from the facilities.
- Prevention of soil contamination in the storage facilities.

The current expenses borne in 2011 by the CLH Group in respect of underground water and soil remediation activities amounted to 2.4 million euros, which were mainly used in the dismantling of the old facilities in Santurce and Somorrostro.

**CLH Group Evolution of environmental investments**  
(millions of euros)



**Expenditure on remediation of underground water and soils** (millions of euros)



On the other hand, in 2011 the expenditure associated with environmental matters and the prevention of soil contamination and underground water pollution amounted to 968,430 euros.

## 9.2. Environmental management policy

The CLH Group has an Environmental Management System whose aim is to guarantee that all its activities are carried out in a sustainable way.

All the company's activities apply environmental criteria throughout their entire life cycle. Strict measures that endeavour to minimize impact on the environment are therefore taken into account.

This environmental commitment is reflected in the 11 principles that are included in the corporate environmental policy, and have also formed part of the company's Environmental Management System since 2006. This system also establishes the rules and procedures that implement the environmental management policy, all of which is in accordance with the legislation in force, the company's corporate objectives and its commitment to the environment.

In July 2008, the CLH Group obtained certification for its Environmental Management System in accordance with the ISO 14001 standard. The aim of this system is to manage company activities in a more efficient and environmentally friendly way. The second follow-up audit was conducted in 2010 and certification was renewed, thereby reaffirming continuity in the environmental management carried out by the CLH Group.

### Environmental Management System

#### Relevant aspects

- Organization for storage and transportation through the pipeline network.
- Oil tanker discharge at ports.
- Dispatch of fuels.
- Fuel supply to ships in ports.
- Storage, transport and supply of aviation fuels and packaged lubricants to aircraft.



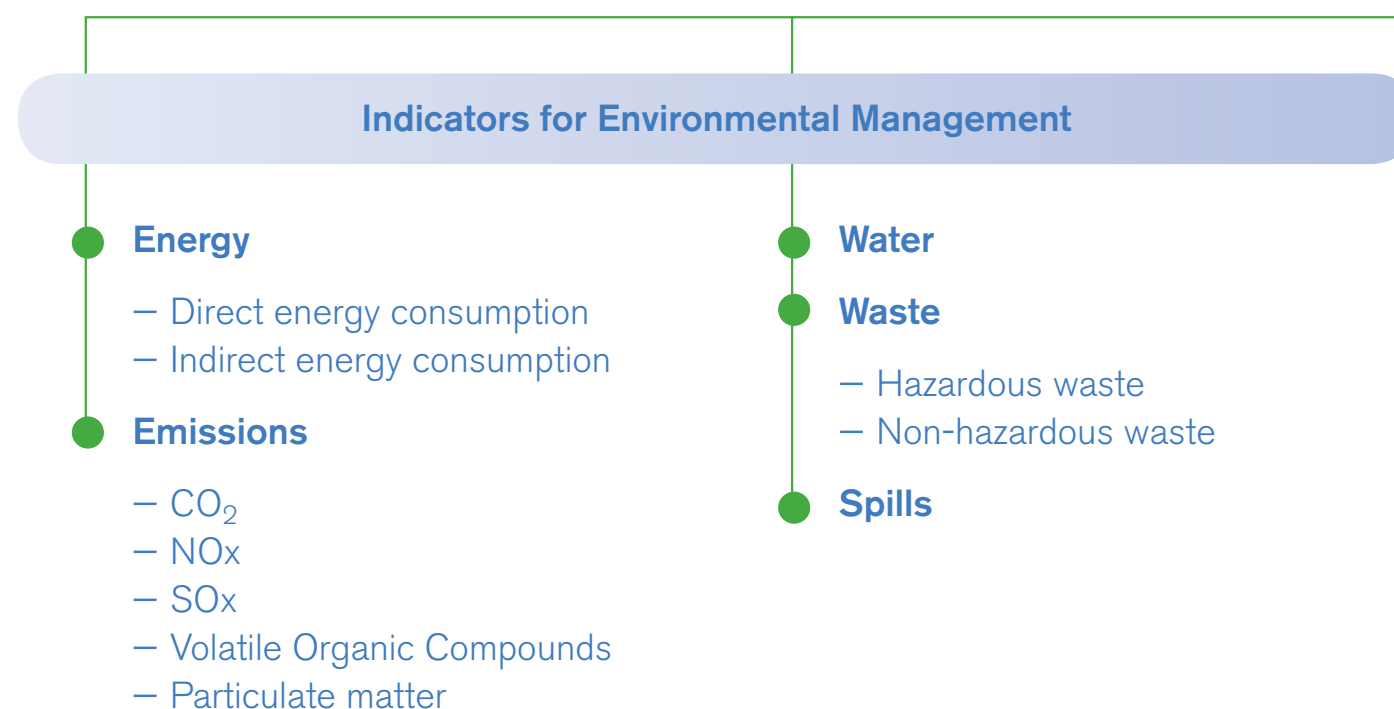
In 2011, the CLH Group received the following accreditations in recognition of the environmental management that was carried out:

- Second prize in the Basque Country section of the 2011 European Environmental awards to Companies, which are given by the Basque Government's Department of the Environment, Territorial Planning, Agriculture and Fisheries.
- Renewal of the "Madrid Excelente" Certificate in which the environmental management carried out by the Group at the facilities in Madrid was given special mention.

It should be mentioned, lastly, that the CLH Group has carried out various projects with environmental interest, such as the adaptation of several storage facilities for the introduction of biofuels into the national logistics system, or the restoration of land formerly occupied by the company's old facilities.

### 9.3. Environmental management in CLH through its indicators

Ratifying its commitment of transparency towards its stakeholders, the CLH Group keeps a historical record of environmental indicators that are published on the pertinent platforms. Information on the most relevant indicators on environmental management in different fields is published through the Corporate Responsibility Reports.







## Control of emissions to the atmosphere

The CLH Group assumes the responsibility and commitment to keep up a continuous effort for reducing greenhouse gas emissions. The company's main greenhouse emissions correspond to CO<sub>2</sub>, NO<sub>x</sub> and CH<sub>4</sub>, whose origin lies in the use of fossil fuels in the different internal combustion engines. It is important to mention here that the use of the company's pipeline network for transporting fuel avoids the emission of over 360,000 tons of CO<sub>2</sub> into the atmosphere every year (which would be the equivalent emissions of transportation were to be carried out using tank trucks).

The emissions to the atmosphere generated by the CLH Group are therefore very limited, as it does not engage in any manufacturing or energy generation process. Besides this, the CLH Group carries out various activities designed to minimize and control emissions of volatile organic compounds (VOCs) due to gasoline storage and loading.

More specifically, the origin of emissions of SO<sub>x</sub>, NO<sub>x</sub>, CO<sub>2</sub>, and particles in suspension lies mainly in the stationary internal combustion engines and those of the vehicle fleet. The emissions resulting from fuel consumption in the tankers chartered by the company and in the steam boilers used for heating the fuel oil stored at the facilities in Barcelona, Cartagena,

Huelva, Algeciras, Tarragona, Porto-Pí, La Coruña and Gijón, are also taken into account.

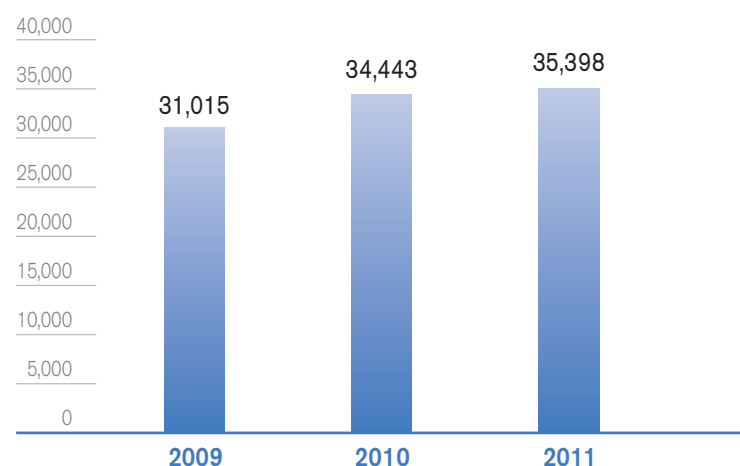
The decrease in NO<sub>x</sub>, SO<sub>x</sub> and particulates emissions are mainly due to the decrease of fuel consumption in tank vessels as a result of the acquisition in 2010 of two more efficient and larger tank vessels.

As regards the company's emissions during 2011, direct emissions of CO<sub>2</sub> by the CLH Group amounted to 35,398 tons, which represents an increase of 2.7% compared with 2010. The swings in CO<sub>2</sub> are mainly due to variations in annual withdrawals of product and

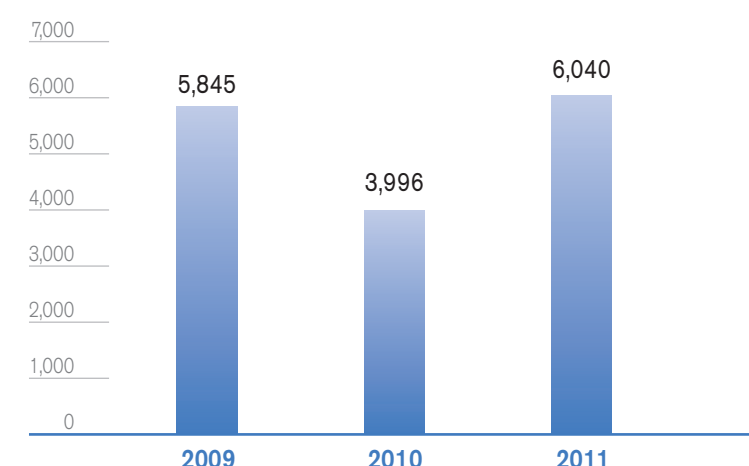
to the different types of operation depending on the delivery plans of the refineries and imports.

In addition, CO<sub>2</sub> emissions due to road transport in the CLH Group during 2011 amounted to 6,040 tons, representing an increase of 51% compared with 2010. This increase is due to increased activity of CLH Aviation vehicles, however this variation is not reflected in the total emissions of CO<sub>2</sub> of the Group since the emissions from the activity of tank vessels have decreased.

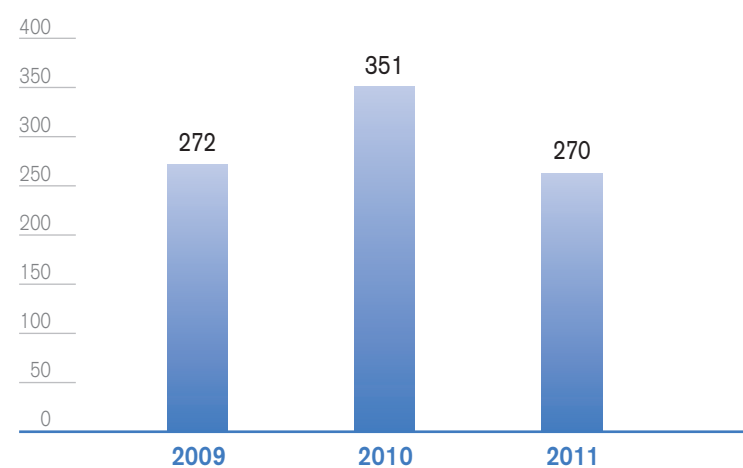
**CLH Group CO<sub>2</sub> Emissions**  
(tons)



**CLH Group CO<sub>2</sub> Emissions in road transport**  
(tons)

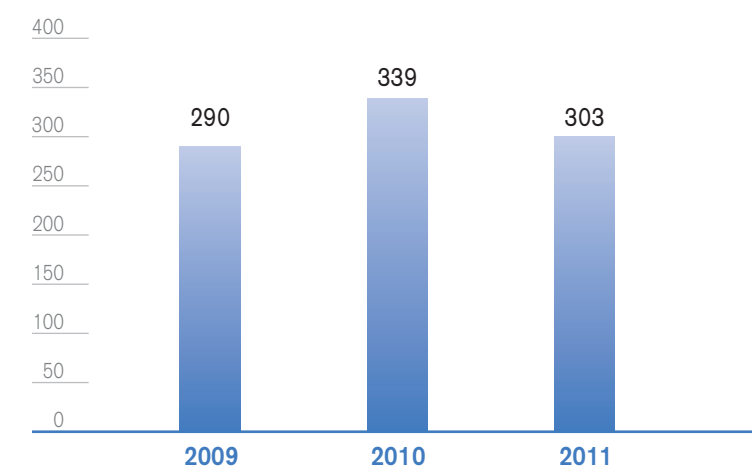


### SOx emission (tons)



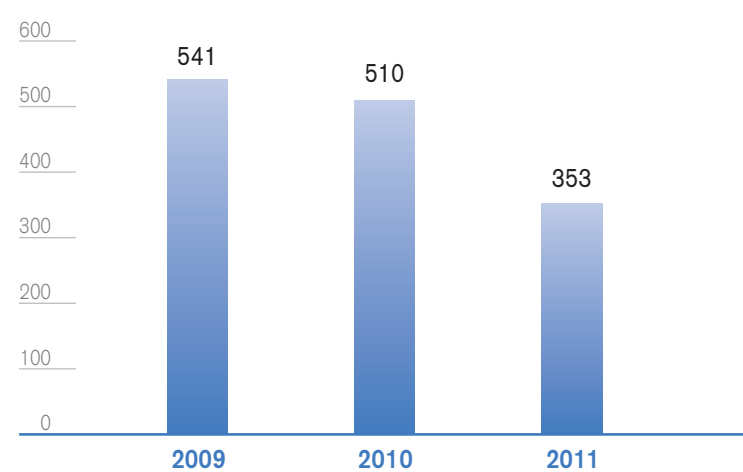
The emission of SOx was 270 tons, which represents a reduction of 23% compared with 2010.

### Emisión NOx (toneladas)



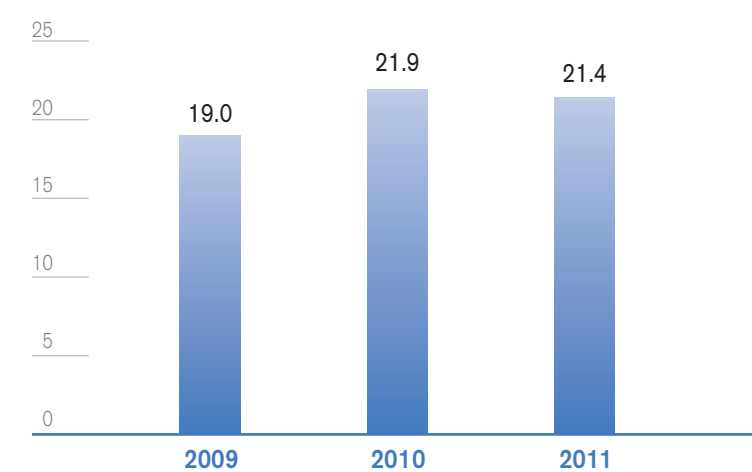
The emission of NOx was 303 which represents a reduction of 23% compared with 2010.

### Volatile Organic Compound emission (tons)



The emission of VOCs was 353 tons, which represents a decrease of 30% compared with 2010, in line with the reduction of withdrawals of gasolines at the facilities.

### Particle emission (tons)



The emission of particles in suspension was 21.4 tons, which represents a decrease of 2% compared with 2010.

#### Note:

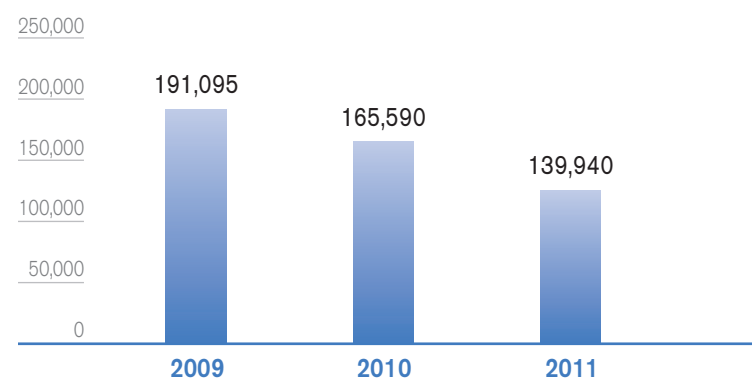
The average of the values measured in the vapour recovery units, rather than the maximum permitted value, was used for calculating emissions of VOCs. The values for 2009 and 2010 were recalculated for the comparison with previous years.

## Water consumption

The company uses water in its operations for sanitary purposes, for generating steam and in testing fire defence systems. Water consumption during 2011 amounted to 139,940 m<sup>3</sup>, which represents a 15.4% reduction compared with 2010.

On the other hand, any CLH Group underground water harnessing is limited exclusively to the facilities that fall outside the area covered by municipal water supply networks. The use of water collection is limited to that needed for sanitary purposes, and is equivalent to a very small amount that does not affect the local hydrodynamics in any appreciable way.

**Total water consumed**  
(m<sup>3</sup>)



## Waste management

The CLH Group produces very little in the way of hazardous waste because it does not carry out any manufacturing or materials transformation processes. More specifically, the waste that is generated is basically the result of periodic cleaning of the storage tanks and the hydrocarbon-polluted water treatment systems.

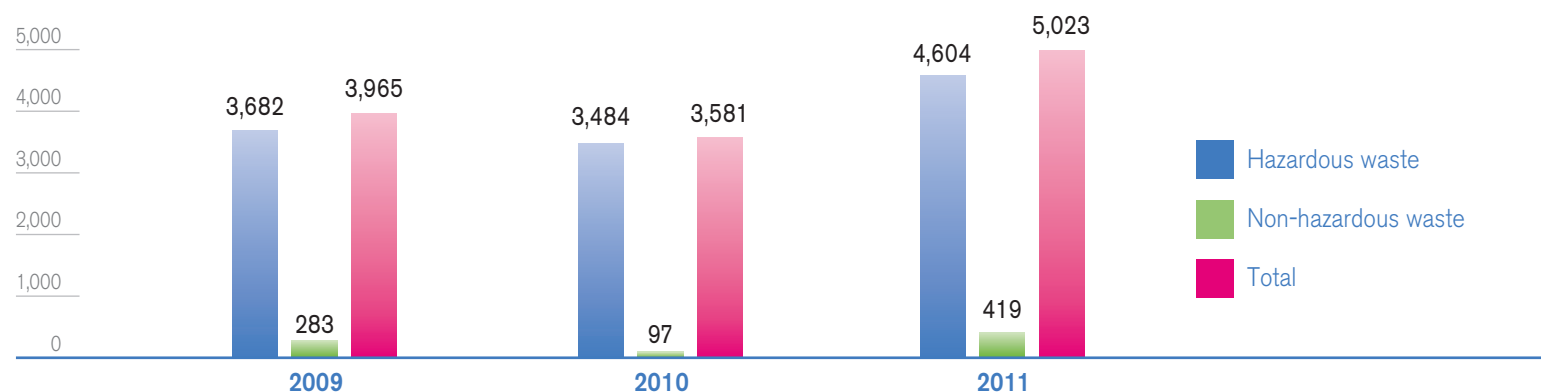
Each facility and work centre classifies and segregates all the waste generated according to its nature, and it is stored in areas specially prepared for the purpose until it can be delivered to an authorized manager.

In addition to documenting each type of waste that is delivered to an authorized manager, the facilities submit an Annual Hazardous Waste Producer Statement to the Environment Board of the pertinent autonomous regional government.

This statement specifies the amount of hazardous waste produced, its nature, the final destination and the name of the authorized manager.

In 2011, the CLH Group managed 4,604 tons of hazardous waste and 419 tons of non-hazardous waste, making a total of 5,023 tons of waste.

**CLH Group Waste Management**  
(metric tons)





## Dumping management, protection of soils and underground water

It is CLH Group policy to report all relevant environmental incidents. When an environmental incident occurs, the necessary steps are taken immediately to mitigate the effects it could have on the environment and the immediate vicinity. If a spill occurs, a study is made of the type of terrain and its characteristics and the most suitable system is established for cleaning it up and restoring the area to its original state in the shortest possible time.

Bearing in mind the characteristics of the company's operations, it can be concluded that cases of dumping are very limited. The main cause of dumping is the rainwater that collects in the different drainage systems in the facilities depending on zonal sensitivity.

The water networks in the facilities are suitably segregated (sewage water, rainwater and water that is likely to contain traces of hydrocarbons). The facilities have a dissolved hydrocarbons continuous measurement control system that redirects the analysed water back again to the treatment system if it fails to comply with the specified criteria.

Besides this, the closed circuit purge systems that have been installed considerably minimize the pollutant load that is sent to the treatment systems. This means that the CLH Group is able to ensure that waste water is suitably treated so as to comply at all times with the parameters stated in each facility's dumping permit.

Most of the waste water that comes from the CLH Group facilities goes to the sewers in municipal drainage networks. The administration in question carries out joint studies with CLH on feasibility and the consequences that dumping from such facilities might have.

When these studies reveal that there are no risks or that they are acceptable for the ecosystems in the area, the administration grants CLH the appropriate dumping permits, specifying a series of conditions and analyses to be performed. CLH takes samples and carries out the corresponding analyses in accordance with the dumping permit that has been obtained.

The CLH Group also carries out an exhaustive study of any product spill and provides for immediate clean-up if there has been any infiltration into the subsoil.

Aside from this, since 2003 the company has been developing a research plan in order to obtain detailed knowledge about the environmental situation of the land occupied by each of its facilities.

This plan has borne other fruit and the CLH Group has carried out environmental recovery, when required, on land where it has carried out activities or that may have been affected by spills.

- Somorrostro (Biscay). Work is now complete on the landscape recovery of this land, with approval from the Basque Government's Department of the Environment, Territorial Planning, Agriculture and Fisheries.
- Santurce. Work on environmental clean-up is now complete, with approval from the Basque Government's Department of Environmental Quality.
- Mahón. Work is expected to commence during 2012.
- Burgos. Work is expected to commence during 2012.

Spills with environmental consequences	2009	2010	2011
Number of spills with environmental consequences <sup>(1)</sup>	3	1	1

<sup>(1)</sup> In 2010 the CLH Group modified the criteria for posting spills and adapted them to follow the practices of the sector, these being spills that affect the environment and involve more than 0.2 tons of product. Therefore, and to permit a comparison between the last three years, the data for spills that occurred in 2009 have been recalculated according to these new criteria.



## 9.4. Energy efficiency and climate change

A clear aim in the CLH Group's environmental management is the continuous improvement of energy efficiency in its activities. The company achieves this by incorporating state-of-the-art additives for oil product transportation via pipeline, thereby reducing friction as far as possible. The effect of this is to increase the pipeline's transportation capacity and reduce the energy consumed in pumping the product as well as the emissions related to this.

The information on direct and indirect energy consumption in 2011 is shown below:

### • Primary energy consumption

The company's direct consumption of energy during 2011 is primarily incurred by transport activities and also by heating the steam boilers used for operating with fuel oils, and amounted to 503,218 gigajoules, which represents an increase of 3.95% compared with 2010 and is in line with the previous year's consumption.

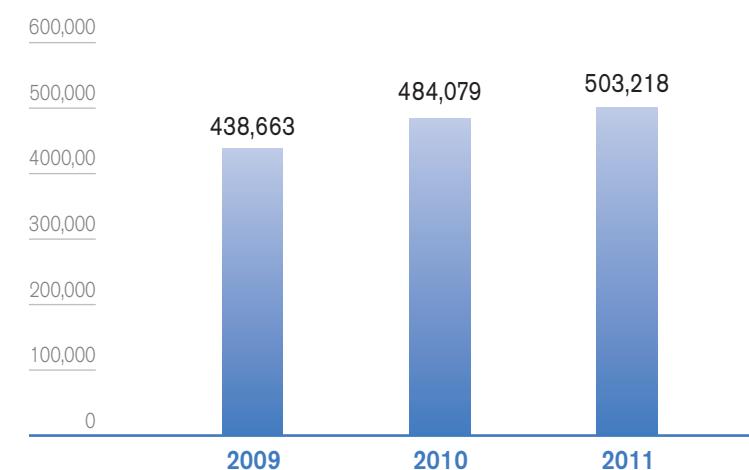
### • Electric energy consumption

The company's indirect consumption of energy during 2011 amounted to 967,708 gigajoules, which represents an increase of 3.8% compared with 2010, this mainly being due to pipeline activity which, if measured in tons per kilometre travelled, increased by 2.2% compared with the previous year.

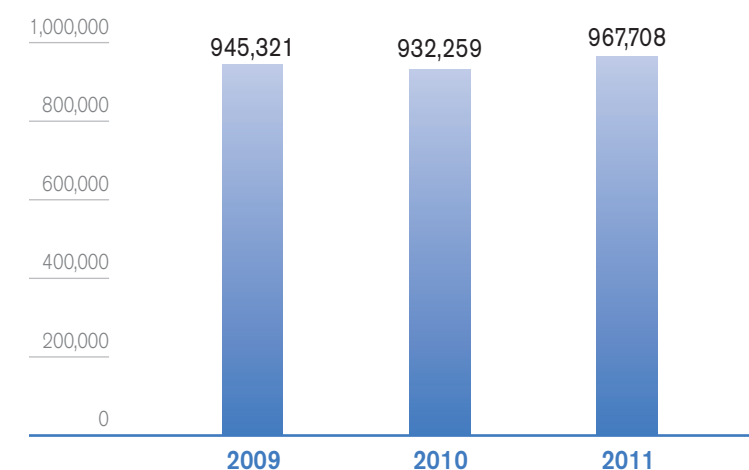
The company continues to develop an energy saving and efficiency plan in order to optimize the use of natural resources and promote the use of more environmentally friendly technologies and processes.

One of the most important projects planned in this field, which is currently under way, is the construction of a new feed system for meeting the requirements of Madrid-Barajas airport from the storage facility in Torrejón de Ardoz (Madrid). These building works will make it possible to remove the storage tanks that stand in the airport precinct and reduce the route currently taken by the fuel until it reaches the area where it is required.

**CLH Group Primary Energy Consumption**  
(Gigajoules/year)



**CLH Group Electric Energy Consumption**  
(Gigajoules/year)







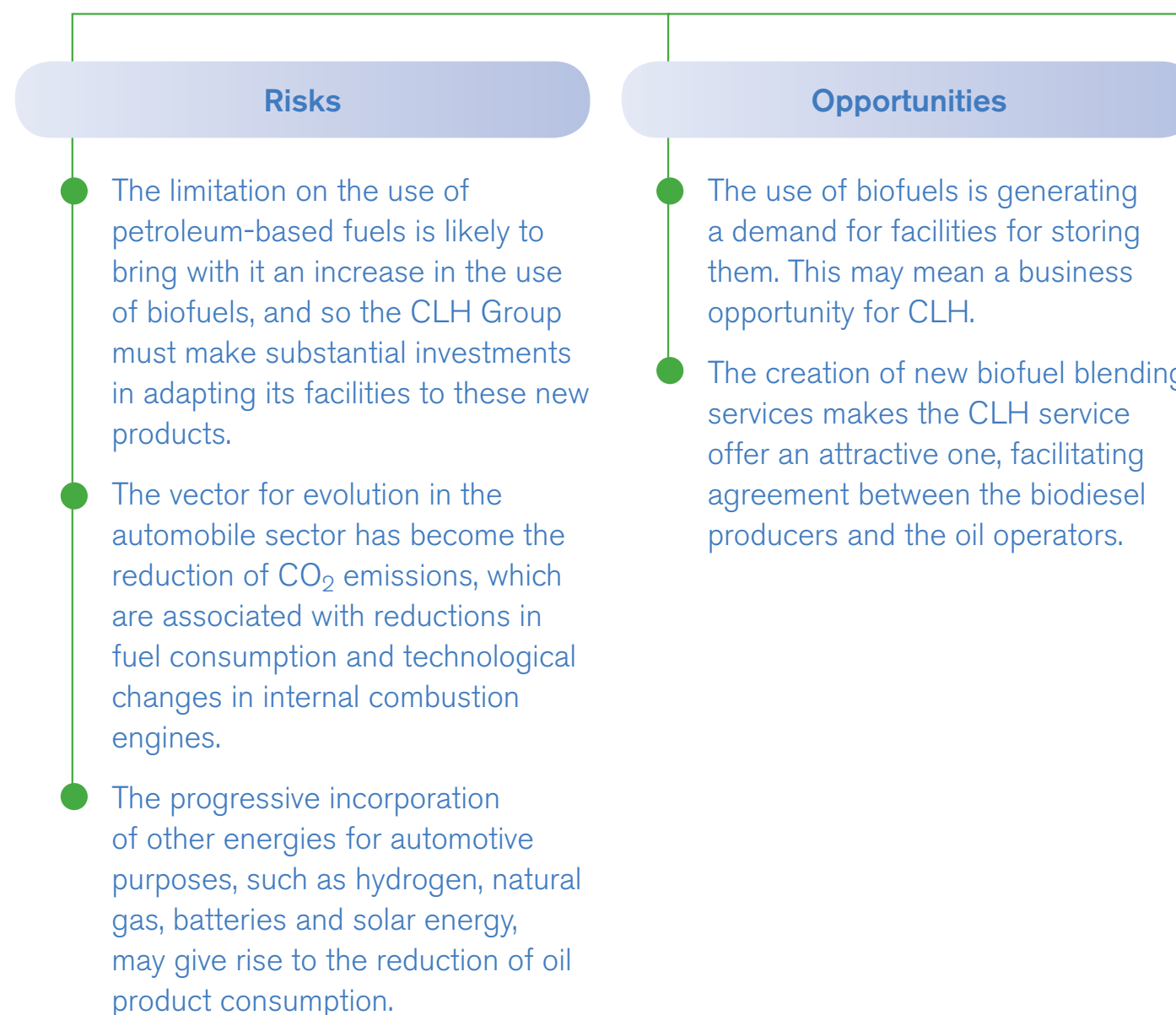
Also, the process for introducing new higher-performance motors and pumps in the pipeline pumping stations and loading area pumping systems continues. The company has also installed frequency converters in the tank truck loading area feed systems. These devices make it possible for the power of the pumps to be adjusted to product flow requirements, rather than pumping at a constant frequency, which means a saving in the energy consumed by this equipment besides a reduction in the corresponding emissions.

Other measures provided for in the energy saving and efficiency plan refer to the improvement of lighting efficiency in the storage plants, and the replacement of the fittings currently in use with others that are more efficient is being studied.

The CLH Group continues with its effort for renewing steam generation equipment with the installation of new boilers that are simpler, more efficient, consume less and are less pollutant.

In 2011, the company started studying the possible introduction of solar panels at the facilities to make them self-sufficient in terms of power supply. This action has already been carried out on some of the remote-controlled valves in the pipeline network.

On the other hand, the company has carried out an analysis for identifying the risks and opportunities stemming from climate change, with the following conclusions being reached:





## 9.5. Management of and respect for biodiversity

The CLH Group carries out environmental impact studies in all its projects and construction work, assessing different layout routes and alternatives so that all building work has the least possible environmental repercussions.

During 2011, the Statements of Environmental Impact for the following projects were published:

- Statement of Environmental Impact for the new facility in the port of Bilbao was approved in September 2011.
- In addition, the Environmental Impact Studies for expansion of the facility in Rivabellosa continue in the processing stage.

In the Pipeline Integrity Management Plan, the chapter entitled “Plan for Identifying High Consequence Areas (HCA)” includes the definition of sensitive environmental areas and high consequence areas (those in which an incident in the pipeline would have the greatest consequences for people and/or the environment). The CLH Group therefore uses specific geographical analysis software in order to determine the affected area that is associated with possible spills.

The types of high consequence area impact and the assessments to be performed are as follows:

- Identification of direct impact areas: pipeline segments that are physically located inside a high consequence area.
- Identification of indirect impact areas: pipeline segments that lie inside the safety margin established by CLH, and do not directly affect the high consequence area. It is established that the safety margin of the pipeline is 200 metres on either side of the pipeline, this being based on the American “49 CFR DOT 192.5” regulation in which the term “Class location unit” is introduced, defining it as: “an area that extends 200m on either side of the pipeline and has a length of 1.6 km”.
- Analysis of transportation: The pipeline segments that show greatest risk may be assessed to determine whether, in the event of a leak, the leaked/spilled product could migrate towards a high consequence area. The two existing transport mechanisms, by land or water, must be taken into account.

CLH has identified and classified the high consequence areas according to the best international practices, basing itself on the regulations published by the United States Department of Transportation in the “DOT 49 CFR 195.450” standard.

Highly populated areas (over 50,000 inhabitants or with a population density greater than 390 inhabitants/km<sup>2</sup>), other populated areas (such as isolated buildings, schools, stadiums, etc.), infrastructures (motorways, dual carriageways, railway lines, etc.) and river channels or water in dams (permanent rivers, reservoirs, lakes, etc.), are contemplated with great care as high consequence areas in addition to natural protected areas.

All this information is managed through latest generation geographical information systems. These are highly reliable and efficient tools for interpreting and viewing the way the pipeline layout interacts with the high consequence areas defined.



As a result of the analysis in Protected Natural Areas (PNA), supplied as vectorial cartography by the National Geographic Institute, 104.4 kilometres of CLH pipeline in these spaces have been inventoried, and are divided up as shown in the table.

The completion of landscape restoration work done on the land where the old Somorrostro facility stood is a remarkable success in the context of respect for biodiversity. It has been possible to recover 180,000 m<sup>2</sup> of marshland and adapt the geomorphology of the area without the need to bring in soil

from elsewhere. Some 71,000 native species of plants and trees have been planted in the reconstructed areas, this being complemented with the hydro-sowing of 1.3 million seeds, thereby returning high ecological value to the land and restoring the biodiversity of the area.

In addition, during 2011 the company has continued to implement its "1,000 Trees Campaign" project at the company's facilities. The project provided for planting native trees according to where each facility was located, and so scientific criteria were used for selecting each species in addition to taking the weather conditions in the surrounding area into consideration.

Lastly, the CLH Group commitment to protecting biodiversity also makes itself evident through the circulation of information about the biological wealth of Spain. For several years now it has been publishing a series of books that awareness about the importance and value of nature.

Section	PNA Name	Length (km)
Algeciras-Rota	Cádiz Bay Natural Park	1.5
Algeciras-Rota	Los Alcornocales Natural Park	27.6
Algeciras-Rota	Puerto de Santa María Endorreic Complex Nature Reserve	1.3
Almodóvar-Loeches	South-East Regional Park	27.8
Ariza-Torrejon	South-East Regional Park	0.1
Cartagena-Alicante	Santa Pola Salt Flats Nature Park	3.0
Huelva-Coria	Doñana National Park	4.2
Loeches-Villaverde	South-East Regional Park	3.3
Monzalbarba San Adrián	Las Bardenas Reales Natural Park	3.6
Muskiz-Miranda	Gorbeia Natural Park	0.3
Poblete-Loeches	South-East Regional Park	27.8
Rota-Arahal	Utrera Endorreic Complex Nature Reserve	3.8
<b>Total</b>		<b>104.4</b>



## a notable case

### The CLH Group commitment to biodiversity and the community: Landscape restoration of the Somorrostro storage facility in Biscay Province

The project carried out by CLH has made it possible to reclaim for society 180,000 m<sup>2</sup> of land with high ecological value, in a project for the comprehensive regeneration of marshland that is a pioneer in Spain and Europe.

With the planting of approximately 72,000 native species of plants and trees and the hydro-sowing of 1.3 million seeds, we have achieved the environmental regeneration of the surroundings and provided optimal conditions for making it a “new storehouse for life”.

The innovative elements incorporated into the project are:

- Use of 100% of the soil that had been treated on site, with geomorphological adaptation of the land, avoiding the use of soil brought in from elsewhere.

- Integration of the neighbouring sand dunes into the area.
- Ecological restoration of biodiversity.
- Protection of native vegetable species by propagating seagrass in the area used by birds migrating from northern Europe.
- Adaptation of the area so it can be used and enjoyed by the community.

All work was carried out taking care to follow the guidelines laid down in the CLH Occupational Health and Safety Policy and Environmental Management Policy, also complying with all the legislation that was in force and applicable at the time it was performed.

It is also estimated that the species that have been planted will help to regenerate the ecosystem and it is estimated that in the first 5 years they will retain the quantity of CO<sub>2</sub> produced during execution of the project (725 tons).

The execution of this project won it second prize in the Basque Country section of the 2011 European Environmental Awards, which are given by the Basque Government's Department of the Environment, Territorial Planning, Agriculture and Fisheries.



# External verification report





KPMG Asesores S.L.  
Edificio Torre Europa  
Paseo de la Castellana 95  
28046 Madrid

### Independent Assurance Report to the Management of Compañía Logística de Hidrocarburos CLH, S.A.

(Free translation from the original in Spanish.  
In case of discrepancy, the Spanish language version prevails.)

We performed a limited assurance review on the non-financial information contained in Compañía Logística de Hidrocarburos CLH, S.A. (hereinafter CLH) Corporate Social Responsibility Report for the year ended 31 December 2011 (hereinafter "the Report").

CLH management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Guidelines version 3.1 (G3.1) of the Global Reporting Initiative as described in the section entitled How the report was prepared. This section details the self-declared application level, which has been confirmed by Global Reporting Initiative. Management is also responsible for the information and assertions contained within the Report; for determining its objectives in respect of the selection and presentation of sustainable development performance; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility is to carry out a limited assurance engagement and to issue, based on the work performed, an independent report referred. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board and also in accordance with the guidance set out by the Accountants Institute of Spain (Instituto de Censores Jurados de Cuentas de España). These standards require that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement and that we comply with the independence requirements included in the International Ethics Standards Board for Accountants Code of Ethics which outlines detailed requirements regarding integrity, objectivity, confidentiality and professional qualifications and conduct.

A limited assurance engagement on a sustainability report consists of making inquiries to Management, primarily to the persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate through the following procedures:

- Interviews with relevant CLH staff concerning the application of sustainability strategy and policies.
- Interviews with relevant CLH staff responsible for providing the information contained in the Report.
- Visit to Córdoba Storage Facility, La Coruña Storage Facility and Santiago Airport Facility selected based on a risk analysis considering quantitative and qualitative criteria.
- Analysing the processes of compiling and internal control over quantitative data reflected in the Report, regarding the reliability of the information, by using analytical procedures and review testing based on sampling.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of CLH.

KPMG Asesores S.L. is a Sustainability Consultancy,  
a subsidiary of KPMG Estructuras LLP and a member firm of  
the KPMG network of independent member firms affiliated  
with KPMG International, a Swiss entity.

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Soc. G. n. 31.045.460. Ins. G. n. 1  
N.I.F. 610249380

2

- Verifying that the financial information reflected in the Report was taken from the annual accounts of CLH, which were audited by independent third parties.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore also the level of assurance provided. Also, this report should not be considered an audit report.

Our multidisciplinary team included specialists in social, environmental and economic business performance.

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the data included in the Corporate Social Responsibility Report of Compañía Logística de Hidrocarburos CLH, S.A. for the year ended 31 December 2011 have not been reliably obtained, that the information has not been fairly presented, or that significant discrepancies or omissions exist, nor that the Report is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines (G3.1) of the Global Reporting Initiative as described in the How the report was prepared section of the Report.

Under separate cover, we will provide CLH management with an internal report outlining our complete findings and areas for improvement.

KPMG Asesores, S.L.

(Signed)

José Luis Blasco Vázquez

27 March 2012





## How the report was prepared

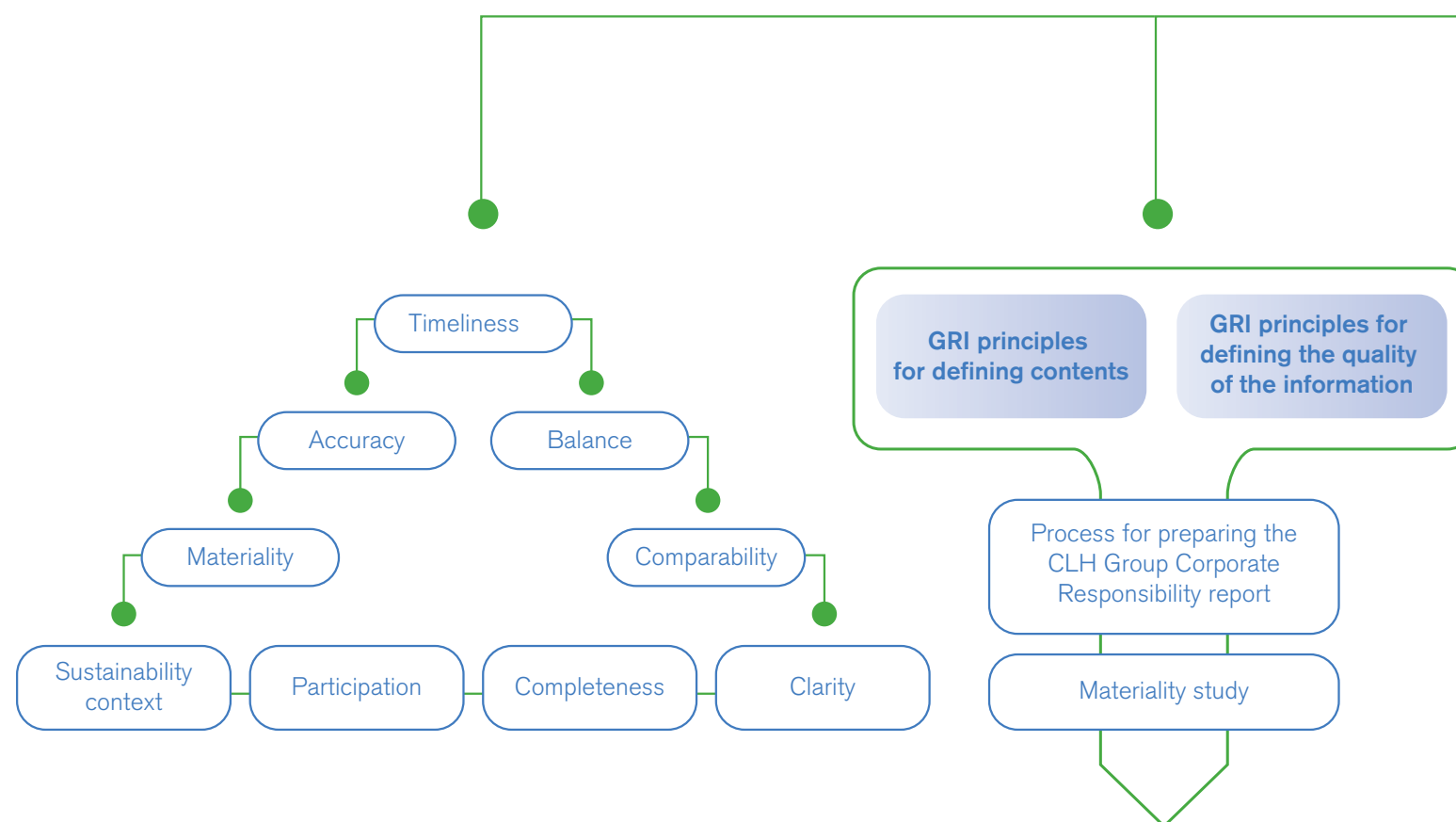
## How the report was prepared

The fifth CLH Group Corporate Responsibility Report was coordinated by the Communication and Institutional Relations Management, and the main areas of the company took part in its preparation.

This report was prepared in accordance with the Global Reporting Initiative (GRI) G3 Guidelines, giving details of the profile of the organization, the management approach in each chapter and the performance indicators that are considered relevant, applying the criterion of materiality to the special features of the CLH Group.

The CLH Group and GRI have given this Corporate Responsibility Report an A+ rating. In addition, the company decided to obtain, through the consultancy firm KPMG, an external verification of this self declaration.

The principles applicable to the preparation of this Report were:



	C	C+	B	B+	A	A+
Self declaration	●				→	✓
External verification	●				→	✓
GRI Review	●				→	✓



## Principle of materiality

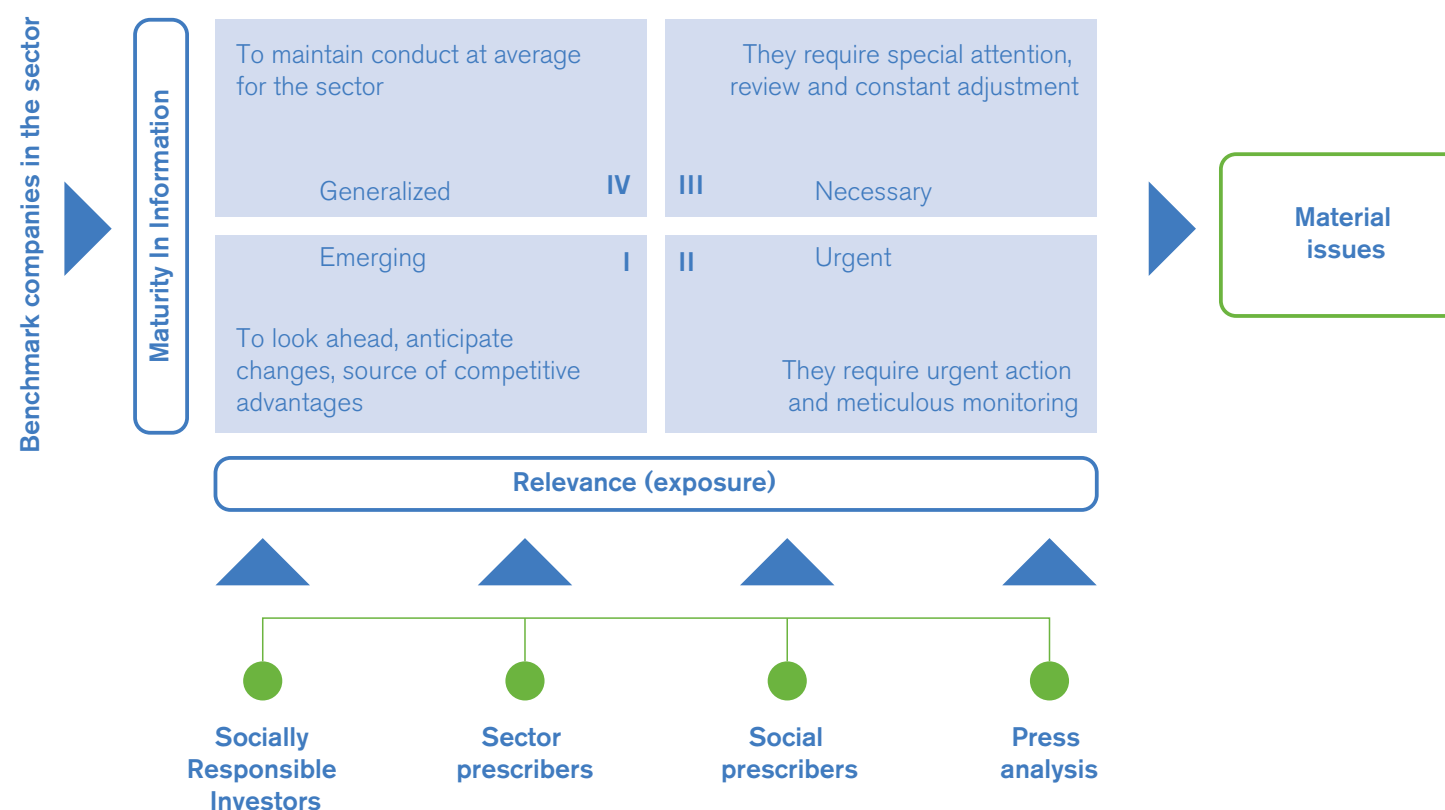
*“Information is considered material if its omission or distortion in a Report can influence the decisions or actions of the interest groups of the reporting organization. Materiality refers to the importance or relevance that the various aspects related to sustainability have for the business”*

In 2008 the CLH Group carried out a materiality study in order to identify relevant issues in the sphere of Corporate Responsibility. This was done by categorizing them according to their age and risk. The following aspects in particular were analysed:

- The importance that institutional investors attach to aspects related to Corporate Responsibility.
- The age of the issues, determined by the attention paid by companies in the sector in which the CLH Group operates. This was done by comparing the Corporate Responsibility reports of several companies in the sector that were representative for reasons of their size and presence in sustainability indexes.

- The attention paid to the various aspects of Corporate Responsibility by sector associations that are considered significant.
- The Corporate Responsibility issues in the energy sector that are most valued by the media and social organizations.

### Analysis of materiality





The following relevant issues were identified as a result of this study:

### CLH Grouping of Material Issues

#### ● Management of intangibles

- CSR management
- Brand management

#### ● Corporate Governance, ethics and relations with governments

- Relations with Governments/ Public policy/ Lobbying
- Ethics and integrity
- Corporate governance
- Risk management

#### ● Value generation

- Financial matters
- Shareholders
- Suppliers

#### ● Quality and customer service

- Innovation
- Management of customer relations
- Operations/ Transport and logistics

#### ● Management of our impact on the environment and our emissions

- Environmental management system
- Other emissions
- Climate change
- Use of resources / Efficiency

#### ● Safety and impact on biodiversity

- Safety/ Transport and logistics
- Waste/leaks/spills
- Biodiversity/ Land occupation

#### ● Caring for people

- Attracting and retaining talent
- Developing Human Capital
- Labour practices
- Health and safety

#### ● Relations with the community

- Impacts on communities
- Relations with stakeholders



## Sustainability context

*"The reporting organization should present its performance in the broadest context of sustainability."*

This report includes the performance of the CLH Group in the economic, social and environmental spheres. Among its aims, the company has assumed the commitment to generate value responsibly with the environment and society, and therefore this document includes the main challenges that affect the company in relation to sustainable development.

## Principle of completeness

*"Coverage of material indicators and aspects and the definition of coverage of the report must be sufficient for reflecting significant social, economic and environmental impact and for enabling the stakeholders to assess the performance of the reporting organization during the period covered by the report."*

The coverage and scope of the information included in this report have been clearly defined, priority has been given to the facts that are considered relevant, and all significant events occurring during 2011 have been included, without omitting any information that

is useful for the company's stakeholders. As for coverage, the relevant information regarding CLH and its subsidiary CLH Aviación is included.

## Principle of comparability

*"All aspects and information should be selected, compiled and disclosed in a consistent manner so that the stakeholders are able to analyse the changes experienced by the organization over time and also with respect to other organizations."*

The information has been included in a way that allows the stakeholders to interpret the changes experienced by the organization over time. The evolution of data in respect of the previous year has been included for most of the indicators.



## Principle of balance

*“The report should reflect both positive and negative aspects of the organization’s performance in order to permit a reasonable assessment of its general performance.”*

In order to enable the stakeholders to make a reasonable assessment, both positive and negative aspects are included, while at the same time presenting an unbiased picture of each of the issues included in the document.

## Principle of accuracy and clarity

*“The information contained in the report should be accurate and sufficiently detailed in order to enable the different stakeholders to assess the performance of the reporting organization.”*

*“The information should be stated in a comprehensible and accessible way for the stakeholders who are to use the report.”*

Tables, charts and diagrams that help to understand the information contained in the Report have been included. Similarly, an attempt has been made to refrain from using technical terms that may prove unfamiliar to its stakeholders.

## Principle of timeliness

*“The information shall be presented on time and following a periodic calendar so that the stakeholders may adopt decisions with the correct information.”*

The CLH Group adheres to a formal commitment to report annually to its stakeholders on the company’s economic, social and environmental performance.

## Principle of reliability

*“The information and procedures followed in preparing the Report must be gathered, recorded, compiled, analysed and presented so they may be subjected to examination and the quality and materiality of the information established.”*

**The reliability of the data included in this Report has been reviewed by KPMG.**



## GRI contents index

# GRI contents index

## Standard disclosures part I: Profile Disclosures

Profile disclosure	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation
<b>1. Strategy and Analysis</b>						
1.1	Statement from the most senior decision-maker of the organization.	Fully	5-6			
1.2	Description of key impacts, risks, and opportunities.	Fully	Tables on pages: 19, 28,37, 48-49, 64, 73, 85, 91			
<b>2. Organizational Profile</b>						
2.1	Name of the organization.	Fully	1			
2.2	Primary brands, products, and/or services.	Fully	14-18, 50-51			
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	14-16			
2.4	Location of organization's headquarters.	Fully	1			
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.	Fully	The CLH Group carries out its activity exclusively in Spain.			
2.6	Nature of ownership and legal form.	Fully	14-18			
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	14-18			

Profile disclosure	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation
2.8	Scale of the reporting organization, including: <ul style="list-style-type: none"> <li>• Number of employees.</li> <li>• Net sales (for private sector) or net revenues (for public sector).</li> <li>• For private sector: total capitalization by debt and equity.</li> <li>• Quantity of products or services provided</li> </ul>	Fully	7			
2.9	Significant changes during the reporting period regarding size, structure, or ownership. <ul style="list-style-type: none"> <li>• Significant changes regarding size, structure or ownership including the location of, or changes in operations including facility openings, closings and expansions.</li> <li>• For private sector: Significant changes regarding size, structure or ownership including changes in the share capital structure and other capital formation, maintenance and alteration operations.</li> </ul>	Fully	8-13, 20-24			
2.10	Awards received in the reporting period.	Fully	8-13, 20-24, 94			
<b>3. Report Parameters</b>						
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	108-112			
3.2	Date of most recent previous report (if any).	Fully	5-6, 108-112			
3.3	Reporting cycle (annual, biennial, etc.)	Fully	108-112			
3.4	Contact point for questions regarding the report or its contents.	Fully	1			
3.5	Process for defining report content, including: <ul style="list-style-type: none"> <li>• Determining materiality.</li> <li>• Prioritizing topics within the report.</li> <li>• Including identifying stakeholders the organization expects to use the report.</li> </ul>	Fully	108-112			



Profile disclosure	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Fully	111-112			
3.7	State any specific limitations on the scope or boundary of the report.	Fully	108-112			
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.	Fully	108-112			
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.	Fully	108-112			
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).	Fully	108-112			
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	108-112			
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	114-130			
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	106			



Profile disclosure	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation
<b>4. Governance, Commitments, and Engagement</b>						
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	20-24			
4.2	Indicate whether the Chair of the highest governance body is also an executive officer. (If so, if their function is within the organization's management and the reasons for this arrangement).	Fully	CLH Annual Corporate Governance Report 2011, 97-101			
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	CLH Annual Corporate Governance Report 2011, 83-87			
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	20-24, 84			
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).	Fully	CLH Annual Corporate Governance Report 2011, 125-130			



Profile disclosure	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Possible conflicts of interest that could arise in the highest governance body are regulated by the internal regulations on conduct in the securities market and by the Board of Directors' regulations. Both documents are available in the following section of the company's website: <a href="http://www.clh.es/GrupoCLHIngles/InformacionAccionistas/GobiernoCorporativo/">http://www.clh.es/GrupoCLHIngles/InformacionAccionistas/GobiernoCorporativo/</a>			
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	CLH Annual Corporate Governance Report 2011, 95-99 and 109-111.			
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.	Fully	20, 24-25, 36 The Corporate Mission, Vision and Values are published on the company's website, on the following link: <a href="http://www.clh.es/GrupoCLHIngles/GrupoCLH/MisionVisionValores/">http://www.clh.es/GrupoCLHIngles/GrupoCLH/MisionVisionValores/</a>			
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.	Fully	24-27, 36, 39, 42, 86			



Profile disclosure	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	CLH Annual Corporate Governance Report 2011, 95-99			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	108-112			
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	45-46, 58-60, 82, 86			
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>• Has positions in governance bodies;</li> <li>• Participates in projects or committees;</li> <li>• Provides substantive funding beyond routine membership dues; or</li> <li>• Views membership as strategic.</li> </ul>	Fully	45-46			
4.14	List of stakeholder groups engaged by the organization.	Fully	13, 45 The CLH Group did not engage specifically with stakeholders during 2011.			
4.15	Basis for identification and selection of stakeholders with whom to engage.	Not			Does not exist	The CLH Group is in the process of approving a new Corporate Responsibility Outline Plan, that defines the bases for identifying stakeholders.

Profile disclosure	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	45-46, 83, 103, 108-112			
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.	Fully	45-46, 72, 83, 103 108-112			

## Standard disclosures part II: Disclosures on Management Approach (DMAs)

G3.1 DMAs	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation
<b>DMA EC Disclosure on Management Approach EC</b>						
Aspects	Economic performance	Fully	29-30			
	Market presence	Fully	14-18			
	Indirect economic impacts	Fully	31-32			
<b>DMA EN Disclosure on Management Approach EN</b>						
Aspects	Materials	Not			Not material	The CLH Group is a service company that engages in the storage, transportation and distribution of oil products. Its activity does not involve any use of raw materials or packagings.
	Energy	Fully	94-95, 100-101			
	Water	Fully	97			
	Biodiversity	Fully	102-104			
	Emissions, effluents and waste	Fully	94-99			
	Products and services	Fully	91-94			
	Compliance	Fully	91-94			
	Transport	Fully	95			
	Overall	Fully	91-94			

G3.1 DMAs	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation
<b>DMA LA Disclosure on Management Approach LA</b>						
Aspects	Employment	Fully	74-75, 78-79			
	Labor/management relations	Fully	74, 81-82			
	Occupational health and safety	Fully	40-41, 64-65, 68			
	Training and education	Fully	78-80			
	Diversity and equal opportunity	Fully	74-76, 77-78			
	Equal remuneration for women and men	Fully	77-78			
<b>DMA HR Disclosure on Management Approach HR</b>						
Aspects	Investment and procurement practices	Fully	32-34			
	Non-discrimination	Fully	74			
	Freedom of association and collective bargaining	Fully	78			
	Child labor	Fully	74			
	Prevention of forced and compulsory labor	Fully	74			
	Security practices	Fully	74			
	Indigenous rights	Fully	74			
	Assessment	Fully	74			
	Remediation	Fully	74			
<b>DMA SO Disclosure on Management Approach PR</b>						
Aspects	Local communities	Fully	40-41			
	Corruption	Fully	42			
	Public policy	Fully	23-24			
	Anti-competitive behavior	Fully	24-25			
	Compliance	Fully	24-25			

G3.1 DMAs	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation
DMA PR	Disclosure on Management Approach PR					
Aspects	Customer health and safety	Fully	57-60			
	Product and service labelling	Fully	24-26			
	Marketing communications	Fully	24-26			
	Customer privacy	Fully	The company's commercial information is managed through the Operators' Information System (SIO), which makes it possible to control the privacy and confidentiality of customer data.			
	Compliance	Fully	The company's commercial information is managed through the Operators' Information System (SIO), which makes it possible to control the privacy and confidentiality of customer data.			

## Standard disclosures part III: Performance Indicators

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
<b>Economic</b>							
<b>Economic performance</b>							
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.	Fully	29-32				
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	101				
EC3	Coverage of the organization's defined benefit plan obligations.	Partially	81-83	Pension payment strategy. Total amount set aside for pension plans.	Not available	This information is not available at the time of preparing the Report.	2013
EC4	Significant financial assistance received from government.	Fully	The CLH Group has not received any significant financial assistance from the Spanish Government during 2011.				
<b>Market presence</b>							
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Fully	77				
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	32-34				



Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	74-75, 77				
<b>Indirect economic impacts</b>							
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	86-90				
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	31-32				
<b>Environmental</b>							
<b>Materials</b>							
EN1	Materials used by weight or volume.	Not			Not applicable	The CLH Group is a service company that engages in the storage, transportation and distribution of oil products. Its activity does not involve any use of raw materials or packagings.	
EN2	Percentage of materials used that are recycled input materials.	Not			Not applicable	The CLH Group is a service company that engages in the storage, transportation and distribution of oil products. Its activity does not involve any use of raw materials or packagings.	

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
<b>Energy</b>							
EN3	Direct energy consumption by primary energy source.	Fully	100-101 Direct energy consumption corresponds to the consumption of fossil fuels in transportation activities and heating boilers				
EN4	Indirect energy consumption by primary source.	Fully	100-101 The sources for electricity production are determined in the national energy mix				
EN5	Energy saved due to conservation and efficiency improvements.	Not			Not available	The CLH Group has developed initiatives for reducing energy consumption at its facilities but does not yet have indicators for measuring the reductions achieved.	2013
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Partially	39-40 50-51,63, 87, 92	Quantification of reductions	Not available	The CLH Group has developed initiatives for reducing energy consumption at its facilities but does not yet have indicators for measuring the reductions achieved.	2013
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Partially	100-101	Quantification of reductions	Not available	The CLH Group has developed initiatives for reducing indirect energy consumption but does not yet have indicators for measuring the reductions achieved.	2013

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
<b>Water</b>							
EN8	Total water withdrawal by source.	Fully	97-98				
EN9	Water sources significantly affected by withdrawal of water.	Fully	97-98				
EN10	Percentage and total volume of water recycled and reused.	Fully	The CLH Group does not use recycled water at its facilities				
<b>Biodiversity</b>							
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	102-104				
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	39-40, 102-104				
EN13	Habitats protected or restored.	Fully	39-40, 102-104				
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	39-40, 102-104				
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not			Not available	There are no specific mechanisms for measuring this indicator at the time of preparing the report, although there are defined high consequence areas that take factors such as biodiversity into account.	2015

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
<b>Emissions, effluents and waste</b>							
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	95-96				
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not			Not available	No measuring mechanisms were implemented at the time of preparing the report.	2013
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Partially	95-96, 100-101	Quantification of reductions	Not available	The CLH Group has carried out initiatives for reducing emissions but does not yet have a methodology for quantifying the reductions achieved.	2014
EN19	Emissions of ozone-depleting substances by weight.	Not			Not available	The CLH Group does not have systems for measuring these substances, although it is considered they do not represent a significant amount.	2012
EN20	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions by type and weight.	Partially	95-96	Persistent organic pollutants (POP) and air pollutants (AP)	Not material	The CLH Group reports the parameters of the emissions that are relevant, given its hydrocarbon storage and transportation activity.	
EN21	Total water discharge by quality and destination.	Fully	97-98				

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
EN22	Total weight of waste by type and disposal method.	Partially	97	Breakdown of the final destination of waste	Not applicable	The waste that is generated at the company's facilities is delivered to an authorized manager.	
EN23	Total number and volume of significant spills.	Fully	99				
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Fully	The CLH Group does not transport hazardous waste. The hazardous waste generated at its facilities is delivered to an authorized manager.				
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Fully	The CLH Group is a service company that engages in the storage, transportation and distribution of oil products. Its activity does not involve production process, and as a result it does not make significant discharges of water.				
<b>Products and services</b>							
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Partially	39-40, 92-93, 102-104	Impacts related to noise or use of materials are not reported.	Not material	The information reported does not involve a considerable impact given the main activity of the company.	

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not			Not applicable	The CLH Group is a service company that engages in the storage, transportation and distribution of oil products. Its activity does not involve any use of raw materials or packagings.	
<b>Compliance</b>							
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	No significant fines or sanctions were recorded during 2011.				
<b>Transport</b>							
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Partially	95-96	Information derived from transporting employees is not reported.	Not available	The pertinent systems for measuring impacts related to the transportation of employees were not available at the time of preparing the report.	2013
<b>Overall</b>							
EN30	Total environmental protection expenditures and investments by type.	Fully	61-.63, 92-93				
<b>Social: Labor Practices and Decent Work</b>							
<b>Employment</b>							
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	74-75				



Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	74-77				
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	81-83				
LA15	Return to work and retention rates after parental leave, by gender.	Fully	81 Corporate policies guarantee return to work after paternity and maternity leave. Also, this was reinforced in 2011 through equality plans that guarantee the Company's commitment to a flexible work environment.				
<b>Labor/management relations</b>							
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	78				
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	78 In accordance with the stipulations of the collective bargaining agreements that have been signed, the CLH Group undertakes to inform the employees, or their representatives, of the implementation of any organizational changes that could affect them. The minimum notice periods vary according to the relevance of the measure.				

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
<b>Occupational health and safety</b>							
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.	Fully	27, 65				
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Partially	68-71	Indicators relating to contractors	Not available	Sufficient information for replying to this indicator was not available at the time of preparing the report.	2014
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	70-72				
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	70-72				
<b>Training and education</b>							
LA10	Average hours of training per year per employee by gender, and by employee category.	Fully	78-80				
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	80-81				
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	80-81				

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
<b>Diversity and equal opportunity</b>							
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.	Partially	75	Minorities and age groups	Not available	This indicator is not available at the time of preparing the report.	2014
<b>Equal remuneration for women and men</b>							
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Not			Proprietary information		
<b>Social: Human Rights</b>							
<b>Investment and procurement practices</b>							
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.	Fully	33				
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Fully	33				
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.	Fully		There is no training module that provides for these matters, although their inclusion at a future date is not ruled out. On the other hand, the CLH Group carries out its activity in Spain, where the risk of violating Human Rights is not significant.			

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
<b>Non-discrimination</b>							
HR4	Total number of incidents of discrimination and corrective actions taken.	Fully	24-25,74				
<b>Freedom of association and collective bargaining</b>							
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.	Fully	33-34, 78				
<b>Child labor</b>							
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.	Not			Not applicable	The CLH Group carries out its activities in Spain, where risks of this type are not generally identified.	
<b>Prevention of forced and compulsory labor</b>							
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.	Not			Not applicable	The CLH Group carries out its activities in Spain, where risks of this type are not generally identified.	
<b>Security practices</b>							
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not			Not applicable	The CLH Group does not hire security personnel directly.	
<b>Indigenous rights</b>							
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not			Not applicable	The CLH Group carries out its activities in Spain, where groups of this type do not exist.	

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
<b>Indigenous rights</b>							
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Fully	33-34, 42 Human Rights assessments are considered to be part of the usual assessment processes. It is not considered that there is a significant risk of violating Human Rights in the activities currently performed by the company.				
<b>Remediation</b>							
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Fully	No grievances on this aspect were recorded through the channels the company makes available to its stakeholders.				
<b>Social: Society</b>							
<b>Local communities</b>							
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Partially	85, 86-89	Percentage of operations	Not available	The CLH Group does not currently have sufficient management mechanisms for giving a quantitative reply to this indicator, although its Plan for Relations with Local Communities is the reference document in this field.	2014
SO9	Operations with significant potential or actual negative impacts on local communities.	Fully	102-103				

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	102-103				
<b>Corruption</b>							
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	None. In 2010, the CLH Group approved its Code of Conduct, which is applicable to the administrative and management bodies of the company, and also to all employees in the companies that form the Group.				
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	19 During 2011 the code was distributed by means of its delivery to all company employees.				
SO4	Actions taken in response to incidents of corruption.	Fully	During 2011, no incidents of corruption were recorded in the channels the company makes available to its stakeholders.				
<b>Public policy</b>							
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	23-24				



Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	The CLH Group did not make any financial or in-kind contributions to political parties or related institutions during 2011.				
<b>Anti-competitive behavior</b>							
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	The CLH Group was not involved in any of these processes during 2011.				
<b>Compliance</b>							
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	30				
<b>Social: Product Responsibility</b>							
<b>Customer health and safety</b>							
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.	Fully	50-51, 57-60, 61-62				
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	No incidents of this type were recorded during 2011.				
<b>Product and service labelling</b>							
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	50-51				

Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	No incidents of this type were recorded during 2011.				
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	52-56				
<b>Marketing communications</b>							
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	24-26				
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.	Fully	No incidents of this type were recorded during 2011.				
<b>Customer privacy</b>							
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	No incidents of this type were recorded during 2011.				
<b>Compliance</b>							
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	No fines or sanctions were incurred in this aspect during 2011.				



## Global Compact Principles

Principles	GRI Indicators	CSR Report CLH 2011 (pages)
<b>Human Rights</b>		
<b>Principle 1.</b> Businesses should support and respect the protection of internationally proclaimed human rights.	HR1-10, LA4, LA13, LA14; SO1	24-25, 33-34, 42, 70-72, 74, 75, 78, 85-89
<b>Principle 2.</b> Businesses should make sure that they are not complicit in human rights abuses.	HR1-2, HR8	33
<b>Labor</b>		
<b>Principle 3.</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	HR5; LA4, LA5	33-34, 78
<b>Principle 4.</b> Businesses should contribute to the elimination of all forms of forced and compulsory labor.	HR1-3, HR7	33
<b>Principle 5.</b> Businesses should contribute to the effective abolition of child labor.	HR1-3, HR6	33
<b>Principle 6.</b> Businesses should contribute to the elimination of discrimination in respect of employment and occupation.	HR1-2; HR4; LA2, LA3, LA13, LA14; EC5, EC7	33, 74-75, 77, 81-83
<b>Environment</b>		
<b>Principle 7.</b> Businesses should support a precautionary approach to environmental challenges.	4.11; EC2	101, 108-112
<b>Principle 8.</b> Businesses should undertake initiatives to promote greater environmental responsibility.	EN2-30; EC2; PR3-4	39-40, 50-51, 63, 87, 92-104
<b>Principle 9.</b> Businesses should encourage the development and diffusion of environmentally friendly technologies.	EN2, EN5-7, EN10, EN18, EN26-27	39-40, 50-51, 63, 87, 92-93, 95-96, 102-104
<b>Anti-corruption</b>		
<b>Principle 10.</b> Businesses should work against corruption in all its forms, including extortion and bribery.	SO2-6	19, 23-24



## Glossary of terms



**AA1000:** International standard whose aim is to guarantee quality in the assessment and dissemination of social and ethical aspects of business management as well as accountability (<http://www.accountability21.net/>).

**Additive:** A substance that modifies the physical or chemical characteristics of the product to which it is added.

**ADR:** European agreement concerning the International Carriage of Dangerous Goods by Road.

**Airport facility:** A plant where aviation fuel is stored and from which its distribution to the aircraft operating at that airport is carried out.

**Aquifer:** A geological formation in which underground water is stored and circulates by using the porosity and configuration of the rock containing it.

**BDO (Biological Demand for Oxygen):** Quantity of dissolved oxygen necessary for microbial oxidation of biodegradable matter in an aquatic atmosphere. It is used to measure the concentration of biodegradable organic matter present in a sample of water.

**Biodiesel:** Ester obtained through the reaction of an alcohol with the fatty acids resulting from the hydrolysis of triglycerides, vegetable oils or animal fats in the presence of a catalyst.

**Biofuel:** Fuel made from organic material or biomass. It includes primary energy sources such as wood, and also by-product fuels such as methanol, ethanol and biogas which come from primary elements after undergoing biological conversion processes, that is, anaerobic fermentation or digestion.

**Bunker:** A variable proportion blend of diesel and fuel oil used as fuel in marine diesel engines.

**CDO (Chemical Demand for Oxygen):** Quantity of oxygen equivalent to that of the potassium bichromate consumed in the oxidation of organic matter, either dissolved or in suspension, contained in a sample of water. It is used to measure the total concentration of organic matter present in a sample of water.

**Central Dispatching:** Centralized control post in CLH from which the company controls many of its product transport and storage operations.

**CO:** Carbon monoxide.

**CO<sub>2</sub>:** Carbon dioxide.

**Dispenser:** Mobile unit designed especially for supplying fuel to aircraft at the airports where there are hydrant networks.

**Double-hulled vessel:** A tanker in which the bottom and sides of the cargo tanks are separated from the bottom and sides of the hull by spaces varying between 1 and 3 metres wide or deep. These spaces remain empty when the tanker carries cargo, but are filled up with sea water on ballast voyages.

**European Foundation for Quality**

**Management (EFQM):** An international foundation based in Belgium that works towards increasing the effectiveness and efficiency of European organizations through strengthening and improving quality. At the present time, its membership includes over 600 organizations, from multinationals and important national companies to universities and research institutions.

**Gigajoule:** 109 joules. The joule is a unit of energy in the International System of Units (IS). Its symbol is J and it is equivalent to the product of one newton per metre.

**Global Reporting Initiative (GRI):**

An international initiative aiming to provide a standard methodology for drawing up sustainability reports (<http://www.globalreporting.org/Home>).

**Greenhouse gases:** These are mainly CO<sub>2</sub>, N<sub>2</sub>O and methane. When present in the atmosphere in increased concentrations, this raises the temperature of the earth's surface because the escape of the infrared radiation emitted by this surface is hindered.

**Hydrant:** Fuel distribution network situated beneath the aircraft parking area at airports.

**Hydrobiodiesel:** Fuel for diesel engines produced by hydro-treatment of vegetable or animal oil.

**Hydrocarbon:** Organic compound formed by carbon and hydrogen atoms that comprises the main component of petroleum.

**ISO:** International Organization for Standardization.

**ISO 9001:** Certification standard for quality management.

**ISO 14001:** Certification standard for environmental management.

**Leachate:** Liquid produced when water passes through (infiltrates) any permeable material. It may contain both suspended and dissolved material, generally both.

**MARPOL (Marine Pollution):** Name of the 1973 International Convention for the Prevention of Pollution from Ships, modified by the Protocol of 1978. It is an international treaty signed by most countries that are related to the sea, Spain among them, and its rules are applied to oil-carrying operations carried out at sea.

**NOx:** Nitrogen oxides.

**OHSAS:** Occupational Health and Safety Advisory Services. A series of specifications regarding health and safety at work.

**(Oil) pipeline:** A pipe for transporting oil or oil by-products.





**Refuelling unit:** A tank truck designed especially for transporting and supplying fuel to aircraft at airports.

**SAM:** (Sustainable Asset Management) assessment agency responsible for rating companies wishing to form part of the Dow Jones Sustainability Index.

**SO<sub>2</sub>:** Sulphur dioxide.

**SO<sub>x</sub>:** Sulphur oxides.

**Storage facility:** A plant where oil products are stored in tanks designed for this purpose and where tank trucks collect oil products for distribution to the end consumers.

**Thermal desorption:** Process for treating waste products and soils that uses a heat process for reducing the presence of certain contaminants.

**Tracer:** A substance with some kind of special feature (colouring matter, for example) that makes it easy to detect and which, when added to another, allows the latter to be identified and monitored.

**United Nations World Compact:** An initiative that began in 1999 with the aim of making commitments of an environmental, labour and anti-corruption nature and the protection of human rights widespread in the private business field.

**Volatile Organic Compounds (VOC):** Each of the chemical compounds (alcohols and light ethers, benzene) that are present in gasolines and which evaporate on coming into contact with the air.



## Statement GRI Application Level Check

GRI hereby states that **Compañía Logística de Hidrocarburos CLH, S.A** has presented its report "Corporate Responsibility Report 2011" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, March 9th 2012

Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



The "+" has been added to this Application Level because Compañía Logística de Hidrocarburos CLH, S.A has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on March 2nd 2012. GRI explicitly excludes the statement being applied to any later changes to such material.



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