



CLH

Compañía
Logística de
Hidrocarburos

**Corporate Social
Responsibility Report
2009**





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2009 Corporate Social Responsibility Report

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Message from the Chairman

I am both pleased and proud to address you all once again with the presentation of this third CLH Group Corporate Social Responsibility Report. This publication is the vehicle through which we offer our interest groups detailed information about the main commitments assumed by the company on economic, social and environmental matters.

The effects of the economic crisis have continued to make themselves felt during 2009 and, I might add, even more harshly than expected. The GDP fell by 3.6% and, just like the other countries around us, Spain has entered a deep economic recession that has caused a fall in the demand for oil products which has been accompanied by a decline in product withdrawals from our facilities.

Despite this, during 2009 the CLH Group profit after tax met the most positive of forecasts and exceeded 177 million euros, which is 9.3 per cent more than in the previous year.

These excellent results were made possible thanks to the development of new business areas, such as strategic reserve storage, and also to our determination to reduce costs by nearly 5 per cent and the cautionary measures we had adopted in previous years.

However, everything seems to indicate that during 2010 we shall have to continue making every possible effort for dealing with several more months that are still showing signs of uncertainty, and once again this will require the commitment of everyone who forms part of the CLH Group.

Now more than ever, if we are to get through these difficult times and be better equipped when the economic situation recovers, we must have more in the way of initiative, and must move ahead with our target of continuous improvement and carry out the projects that have been forecast.

This is why we have continued during 2009 to make the investments included in the Strategic Plan 2007-2011 and, with all established deadlines having been met, several important projects were inaugurated, such as the new storage facility in Mahón (Menorca), which has made it possible to quadruple the storage capacity on the island. The expansion of several facilities, such as the plant in Albuixech (Valencia), was also completed and new fuel supply lines came into service at terminal 1 in Barcelona airport.

Turning to biofuels, we are carrying out the adaptation of several plants to enable them to make direct blends of gasoline with bioethanol, and these will join the ranks of the company facilities that have already been adapted for storing and distributing biodiesel.

All these activities in the sphere of biofuels are allowing us to maintain the high level of economic and environmental efficiency of our fuel distribution system, as well as playing our part in the development of the Renewable Energies Plan drawn up by the Government.

Within this aim of continuous improvement, we have continued to apply the EFQM excellence model with the intention of perfecting the quality of all our processes. Besides this, and after obtaining



Through the social action project known as “Together, we move our most valued energy”, the CLH Group continued collaborating with organizations that work with young children, handicapped people or families that lack financial resources

the European Seal of Excellence 400+, we continued working to achieve the 500+ Seal, which is one of our strategic targets.

We have also carried out various initiatives in the environmental field during 2009, such as the modernization of the vapour recovery units at our facilities, renewal of the vehicle fleet with new low-emission cars and the start-up of the “CLH Recycles” campaign, in order to provide the people in the company with the necessary resources for contributing to savings in energy and natural resources, such as recycling the waste that is generated in the firm.

Similarly, we have continued to promote our corporate responsibility policy through the social action project called “Together, we move our most valued energy”, through which we have collaborated with a number of non-profit organizations that work to improve the living conditions of children, people who suffer from some kind of illness or handicap, and families that lack resources.

I should also like to highlight the commitment adopted by the company for encouraging the reconciliation of its employees' working and family life, which has made it possible for CLH to renew its Family-Responsible Company certificate. An example of the policies we are putting into effect in this field is the introduction of kindergarten ticket vouchers, which help parents to pay for the kindergartens their small children attend.

At the same time, and in the plan for relations with local communities, we are continuing with our effort to keep a free-flowing relationship with the corporations, organizations and associations in the towns where the company operates. Besides this, and in order to promote transparency and improve people's knowledge of the company, a series of leaflets and triptychs have been published with information about the different activities of the CLH Group and with safety instructions for visitors and for personnel from other companies.

Another of our priorities during 2009 was to guarantee the safety of the 1,600 people who form part of the company. This can be clearly seen in the “Zero is possible” project that uses occupational risk prevention workshops and various training activities with the aim of putting an end to industrial accidents by 2016.

We have also moved ahead during this year with the plan for rejuvenating the workforce and, being aware of how important it is to employ the best professionals, we were one of the companies that participated in the first edition of the Recruiting Erasmus programme, which is permitting young professionals who have studied abroad to gain practical experience in the various CLH Group work centres in their final year at university.

To sum up, 2009 has been a year in which the CLH Group has endorsed its commitment to principles of conduct and action as regards human, labour and environmental rights and the fight against corruption that are included in its corporate social responsibility policy, all of which follow the lines of the United Nations World Compact initiative.

In the pages that follow you will find detailed information about each of these commitments. We hope the report we now put before you will help you appreciate the progress made by the company in each of these areas.

José Luis López de Silanes
Executive Chairman, CLH Group



The Corporate Social Responsibility scorecard

	2007	2008	2009
Economic dimension			
Operating profit (thousands of €)	205,683	224,966	223,467
Net profit (thousands of €)	287,235	162,487	177,664
Operating income (thousands of €)	568,717	588,487	591,707
Economic value distributed (thousands of €)	642,239	612,731	579,819
Operating expenditure (thousands of €)	363,034	363,521	368,240
Investments (thousands of €)	146,043	160,438	137,738
Dividend (thousands of €)	285,663	246,480	224,173 ⁽¹⁾
Total Assets (thousands of €)	1,744,891	1,828,199	1,899,643
Details of Activity			
Withdrawals from Facilities (thousands of tons)	40,424	39,221	36,989
Operator withdrawals land sector (thousands of tons)	33,957	33,181	31,404
Operator withdrawals aviation sector (thousands of tons)	4,540	4,500	4,123
Operator withdrawals marine sector (thousands of tons)	1,927	1,540	1,462
Activity in transport systems			
Oil tankers (thousands of tons)	2,155	2,187	2,319
Pipelines (thousands of tons)	24,933	24,747	22,704
Material resources			
Number of storage facilities	37	37	37
Number of airport facilities	29	29	29
Number of chartered oil tankers	2	2	2
Number of customers and survey assessment			
Number of CLH customers	30	33	35
Number of CLH Aviación customers	12	12	10
Average assessment CLH customers	3.16	3.24	3.20
Average assessment CLH Aviación customers	3.14	3.35	3.31

(1) The dividend for 2009 amounts to 224.2 million euros (€3.1998/share), of which 37.8 million (€0.5398/share) correspond to the additional dividend proposed to the General Meeting of Shareholders for approval.

	2007	2008	2009
Social dimension			
Number of employees	1,865	1,787	1,678
Average age of employee (years)	50.2	48.1	46.5
Average employee length of service (years)	24.4	22	21
Staff turnover (unsought staff loss) (%)	0.7	0.5	0.2
Investment in training (€)	879,700	1,020,200	1,005,511
Average training hours	29	38	37
% of employees receiving formal assessment of performance	34%	32%	34%
% of employees covered by collective bargaining agreements	88%	87%	87%
Accident frequency rate with sick leave, CLH	7.64	6.94	4.79
Accident severity rate, CLH	0.10	0.24	0.14
Accident frequency rate with sick leave, CLH Aviación	32.89	35.25	17.35
Accident severity rate, CLH Aviación	1.05	1.10	0.41
Safety training (hours)	8,907	12,859	12,033
Environmental dimension			
Environmental investments (thousands of €)	3,700	4,800	7,900
Costs of underground water and soil remediation (thousands of €)	10,800	6,500	3,300
Direct energy consumption (Gigajoules/year)	447,291	443,607	438,663
Indirect energy consumption (Gigajoules/year)	1,007,665	1,004,045	945,321
Water consumption (m³)	42,984	49,356	191,095
SOx emissions (tons)	321	296	272
Volatile organic compound emissions (tons)	3,006	817	762
Particle emissions (tons)	21	19	19
NOx emissions (tons)	345	303	290
Generation of dangerous waste (tons)	3,182	4,772	3,682
Generation of non-dangerous waste (tons)	627	136	283
CO ₂ emissions (tons)	31,808	31,452	31,015
CO ₂ emissions in road transport (tons)	5,400	3,488	5,845
Number of pipeline breakages by third parties	3	10	1
Number of spills through overfill at loading platforms	41	28	10
Other spills	39	80	57



A brief look back at 2009

Profit after tax in the CLH Group grew by 9.3%, totalling 177.7 million euros in 2009

Profit before tax grew by 9.9%, totalling 250.9 million euros. On the other hand, the net operating profit for 2009 amounted to 223.5 million euros, which was 1.5 million euros, or 0.7%, less than in the previous year. Operating income grew by 0.5%, while there was an increase of 1.3% in operating expenditure. Withdrawals of oil products from CLH facilities during 2009 amounted to 37 million tons, showing a drop of 5.7% on the previous year mainly because of the effects of the recession in economic activity. Investments carried out in 2009 amounted to 137.7 million euros compared with the 160.4 million euros of the previous year, all of them being in line with the provisions of the Strategic Plan.

Expansion of the Albuixech facility

The CLH Group inaugurated the expansion of the storage facility the company has in Albuixech (Valencia). The project involved an investment of around 20 million euros and consisted of building eight new storage tanks that are added to the 16 already there, raising the total storage capacity of the facility from the previous 121,000 cubic metres to 230,000 cubic metres. This means that the plant, in which over thirty people work, will be able to meet the supply requirements of the area with every guarantee.



Opening of the new storage facility in Mahon

The CLH Group opened its new oil product storage and distribution facility in Mahon, Menorca. The new plant involved a total investment of 22 million euros and combines a high level of automation in its operating processes with maximum guarantees of safety and respect for the environment. This new facility will make it possible to improve the oil product storage and distribution system on the island since, with a total capacity of 34,420 cubic metres of product distributed between 19 storage tanks (12 of them newly built, with a capacity of 28,920 cubic metres), it has four times more storage capacity than the present facilities in Cala Figuera, where operations will shut down completely in the early months of 2010.

Collaboration agreement with Cuba Petróleo

The CLH Group signed a framework agreement with CUPET (Cuba Petróleo) for working jointly on the modernization of the oil logistics system in Cuba. This agreement falls within the objective provided for in the Group's Strategic Plan for carrying out new international projects that allow its wide experience and know-how to be applied in the oil product logistics sector.

New protection equipment manual

Following its risk prevention policy and with a view to improving safety, CLH has approved a new edition of its Individual Protection Equipment manual, which replaces the 2002 version. The aim of this new version of the manual is for everyone in the company to know about and apply the necessary measures for making their job area a safe place and, with the help of everyone concerned, to achieve the 'zero is possible' target where industrial accidents are concerned.

Cleaner vehicles

As part of its firm commitment to the environment, the CLH Group has brought twelve low-emission cars into its vehicle fleet. The new saloon cars are the Citroën C4 Airdream and have a CO₂ emission level of under 120gr/km, which is 20 per cent less than most of the other vehicles in a similar range. Besides this, they were manufactured in plants holding the ISO 14001 environmental certificate and are designed in such a way that they can be recycled when they reach the end of their useful life.

CLH facilities will distribute gasolines with bioethanol

The CLH Group is to adapt several of its storage facilities so as to be able to carry out direct blending of bioethanol with gasoline. These plants will be located near the zones with highest consumption within the area covered by CLH and are expected to be ready in the first quarter of 2010.



The aim of this initiative is to continue collaborating in the Renewable Energies Plan drawn up by the Government, which establishes that by 2010, 5.83 per cent of all automotive fuels must be biofuels and that the compulsory minimum for biofuels in gasolines should reach 3.9%.

Internal Communication Meetings

With a view to boosting communication and relations between the different managements in the company, the CLH Group held a new round of internal communication meetings for the third year running. These meetings took place in April and November in different cities and were attended by over 120 people from all areas and facilities in the organization. During the sessions, members of the company's management explained the different targets and strategies planned for the year.

CLH Aviación designs a new stepladder for refuelling safely

A working group from CLH Aviación has designed a stepladder prototype for making refuelling operations carried out on aircraft models B-737 and A-320 easier. Its main characteristics include its operating capacity and safety, as it incorporates precise connection components, in accordance with established standards, for facilitating the refuelling operation, while at the same time it can be moved easily around the airport apron and positioned close to aircraft by means of a simple, and more importantly, safe manoeuvre.

Intense activity in sector events

Over the last few months, the CLH Group has participated in several trade fairs and seminars related to its industrial activity, both nationally and internationally. Those of particular importance include the GENERA 2009 International Energy and Environment Trade Fair, the 31st Congress on Logistics organized by the Spanish Logistics

Centre, the 4th Euro-Mediterranean Energy Forum and the 2nd Annual Oil and Gas Pipeline Maintenance and Reliability Conference, which took place in Vienna. Distinguished company representatives participated in all of them in order to discuss, among other aspects, the organization's work model and its relationship with the industry.

Prizes and awards

CLH Aviación was awarded first prize in the "Company Environmental Contest", organized by Madrid-Barajas airport, in recognition of its continuous effort to reduce the environmental impact of its activities. The awards ceremony, which coincided with World Environment Day (5 June) was presided over by the airport director, Miguel Ángel Oleaga, who presented the manager of the Barajas facility, Jesús Manso, with a trophy and the supporting diploma. All companies that operate at Barajas participated in this first edition of the contest. In choosing the winner, the Environment division of the public body AENA (Spanish Airports and Air Navigation) assessed the waste management system used by each of them, through periodic checks and inspections.



The Global 2000 ranking, which Forbes magazine publishes every year, has placed the CLH Group among the top 2,000 companies in the world. This ranking is one of the most prestigious in its field and includes 33 Spanish companies, four more than in the previous edition. On a world scale, the U.S. industrial group General Electric holds first place. The study only took listed companies into account and includes companies from 62 countries.

The chairman of the CLH Group, José Luis López de Silanes, has achieved 70th place in the ranking of the most prestigious business leaders in Spain, according to the 2009 Merco (Spanish Corporate Reputation Index) report, having moved up 27 places in respect of last year. In the same report, the CLH Group appears for the third year running in the ranking of the 100 companies with the best reputation in Spain, this year occupying 78th place.

The company holds 69th place among the best Spanish companies to work for, according to the 2009 Merco report, drawn up by the Spanish Corporate Reputation Index. This means it has moved up 18 places since the 2008 edition.

The report, which was based on 10,000 survey interviews, assesses criteria such as a salary suited to the job performed, internal promotion, facilities for reconciling work and family life or equal opportunities for men and women.

Besides this, the CLH Group is also present in the classification of the “150 best companies to work for in Spain” which is published every year by Actualidad Económica magazine, this year holding 91st place.

The ‘Inventor Cosme García’ secondary education institute in Logroño awarded the CLH Group a diploma in recognition of its collaboration in the training of students from the centre during the last few academic years. Some of these students have already been recruited at company facilities under the Replacement Plan, with very good results. The diploma was received on behalf of the company by Álvaro Cuesta, manager of the plant in Navarra, where several students have spent their practical training period.

The CLH Group General Director of Finance and Economy, Jesús Alba, was selected for

the second year running as one of the top 100 finance directors in Spain by the weekly magazine Actualidad Económica. The award of these prizes was based on a study drawn up by the consultancy firm KPMG and Actualidad Económica on the financial departments of almost 2,000 companies that do business in Spain.

The CLH Group won second prize in two of the fire extinguishing drills held during the 21st Mapfre Global Risks International Symposiums, whose aim is to promote safety and improve risk management within companies. Among those competing in the competition, which was held at the Can Padró training centre (Barcelona), were firemen under contract with private firms and also professionals from large Spanish companies. Those representing CLH were Manuel Conde Valiño, Antonio García Segade and Jesús Pérez Vázquez, from the airport facility in Santiago de Compostela.

The CLH Group: Leading the transportation and storage of hydrocarbons in Spain

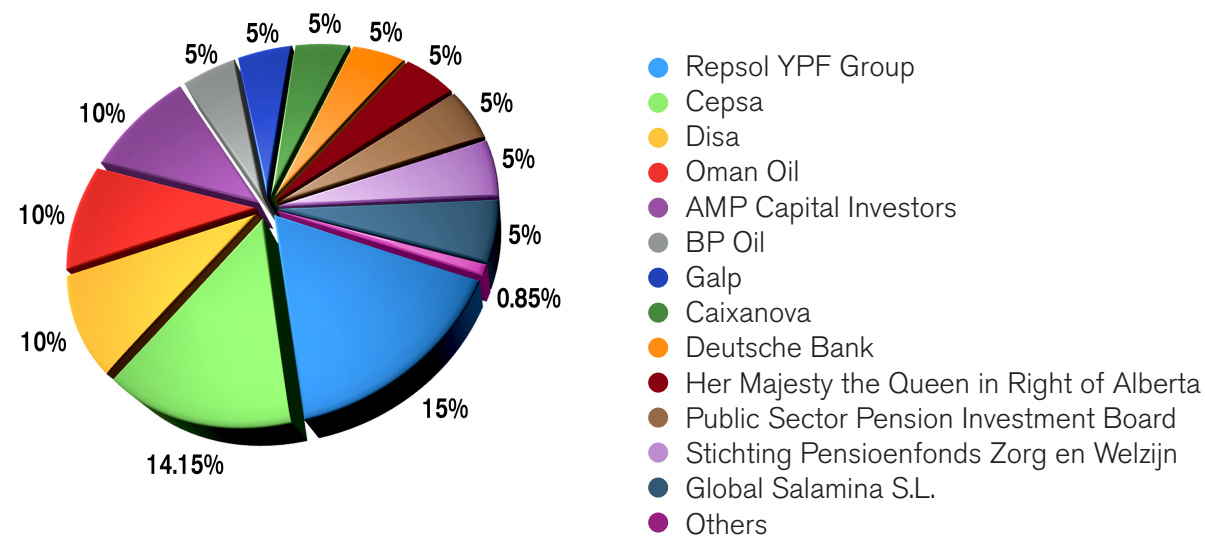
The CLH Group, formed by Compañía Logística de Hidrocarburos and its subsidiary CLH Aviación, is the leading company in the transportation and storage of oil products in the Spanish market.

Its activities are characterized by efficiency and continuous improvement, and these have enabled the CLH Group, in its history of over 80 years, to adapt itself to the demands of its environment, guaranteeing the supply of fuels to society, a satisfactory work atmosphere for its employees, excellent service to its customers and a suitable return on investment for its shareholders.

The CLH Group has one of the largest and most efficient integrated oil product transportation and storage networks in the world, comprising over 3,800 kilometres of pipeline, 37 storage facilities and 29 airport facilities.

These infrastructures are available to all oil product operators doing business in Spain, aviation companies and other national and international bodies responsible for the management of strategic reserves, such as Corporación de Reservas Estratégicas de Productos Petrolíferos (CORES), the public entity responsible for Spain's strategic oil reserves, or Entidad Gestora de las Reservas Estratégicas de Petróleo de Portugal (EGREP), its public counterpart in Portugal.

CLH Group Share Capital Structure as at 31/12/2009



Areas of activity

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

- The transportation, storage and distribution of oil products, mainly gasolines, diesel fuels, kerosenes and fuel oils, through CLH.
- Services for the storage, distribution and into-plane supply of aviation fuels and lubricants, through CLH Aviación.

CLH Group areas of activity

Basic logistics activities

Through its 3,855 kilometres of pipeline, the CLH Group connects the eight Spanish refineries on the peninsula where fuels are produced, and the principal ports of delivery, with most of the storage facilities. The few plants that are not linked up to this pipeline network and those located in the Balearic Islands are supplied by means of oil tankers that are on charter from reputable shipowners that offer guarantee, while medium-sized and small airport facilities are supplied using tank trucks.

During 2009, the company handled 37 million tons of oil products, mostly gasolines, diesel fuels, fuel oils and aviation kerosene.

The company has 37 storage facilities distributed across the Spanish territory of the peninsula and in the Balearic Islands with a capacity of 7.2 million cubic metres of fuel, and most of them operate 24 hours a day, 365 days a year.

The CLH Group also offers instant product accreditation, which means its customers can make use of their products at different destinations immediately after they have made a delivery 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.

New business areas	
Strategic and security storage	<p>The CLH Group devotes an increasingly large percentage of its storage capacity to CORES, the Spanish Strategic Oil Product Reserves Corporation, and the oil companies so that they can maintain the minimum fuel reserves required by law.</p>
Biofuels	<p>The company has facilities where it is possible to store, distribute and carry out in-line blending of diesel fuels with different contents of biodiesel.</p> <p>During 2009, CLH started adapting its storage facilities to enable them to carry out direct blending of bioethanol with gasoline. The selected centres are located close to the areas where consumption is greatest within the area covered by the company.</p> <p>This adaptation of the CLH logistics system to biofuels means that it is possible to cover the requirements of the oil companies and contribute to the development of the Renewable Energies Plan that has been drawn up by the Spanish government, requiring that 5.83% of automotive fuel content should come from biofuels by 2010. During 2009, over 900,000 cubic metres of biodiesel blended with automotive diesel were withdrawn from CLH.</p>
Other activities	
Supplies to aircraft	<p>CLH Aviación has 29 facilities at the majority of Spanish airports in the Iberian Peninsula and the Balearic Islands, and offers a service for the storage, distribution and into-plane supply of aviation fuels and lubricants. During 2009, over 443,000 aircraft supply operations were carried out and over 3 million cubic metres of aviation fuels were supplied in the into-plane service.</p> <p>CLH Aviación also offers technical advice and 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.</p>
Service station maintenance	<p>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.</p> <p>During 2009, the company provided its services to a large number of service stations, which included filling stations, yachting harbours and railway stations.</p>
Metrology	<p>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.</p> <p>This work is carried out at the Metrological Verification Laboratory in Loeches (Madrid), the only one in Spain 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 referent in its field, and designs and manufactures most of the systems it uses for carrying out these controls. During 2009, this Unit carried out over 3,700 calibrations.</p>

Laboratory

CLH operates a network of laboratories that has over 60 years' experience and enjoys great prestige in the sector. Their 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.

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. Throughout 2009, over 28,000 samples were received and around 127,000 tests were carried out.

Our corporate culture

Mission

The CLH Group's mission is the distribution of liquid fuels in a way that is continuous, efficient and safe. We work every day to do our job better in the firm belief that we are providing society with an important service.

Vision

The vision of the CLH Group is to collaborate in economic, environmental and social progress, provide our customers with an excellent service, guarantee earning power for our shareholders, and develop employment advancement for our employees and the reconciliation of their personal and professional lives. With all of this, we aim to be an international referent in the distribution of energy, collaborating towards its responsible use, looking after the safety of people and protecting the environment, and cooperating in the prosperity of the places where we have business units. With all of this, it is also our aim for our employees to feel proud of forming part of the company, aware of its social relevance and the importance of their work.

Corporate values



Efficiency

The fulfilment of our mission is our greatest contribution to society. To carry it out as efficiently as possible contributes to improving the quality of life of those around us. This is why we place special emphasis on achieving our targets quickly and efficiently.

Commitment

We feel we are a part of CLH and this is why we try to exceed the expectations of those around us. We honour our commitments and do our best to attend properly to the needs of our customers, to produce results for our shareholders and partners, and to be increasingly more useful to society.

Responsibility

We know how to take responsibility for our actions in relation to all our interest groups. We are self-critical, we learn from our mistakes and we believe that merit gives the measure of the people in the organization. We act with corporate responsibility criteria that are in coherence with our aim of sustainable growth, because we understand the importance of looking after the natural environment, improving safety and contributing to the improvement of the communities we serve.

Excellence

We look for improvement all the time. This is why we reward creativeness and the generation of new ideas that help the organization to grow. We apply the best technology available at all times and innovate in the development of our processes, with the aim of being one step ahead of our customers' needs and the new demands of society.

Safety

The safety of people, the facilities and the people around them is at the core of our decisions. Maintaining safety standards forms an unavoidable part of our processes

efficiency excellence safety
commitment responsibility
integrity trust



Integrity

Our conduct is irreproachable in everything we do, and this is based on honesty and rectitude. In particular, we create a favourable job environment that works on the basis of respectful collaboration with people's rights and dignity. As a result, we are a company where a long, attractive, gratifying professional career can be developed."

Trust

Our organization is sensitive to social trends and perceptions at all times. We believe that in the long term, our ability to prosper runs parallel with the ability to inspire trust, respect and admiration among those with whom we interact: customers, shareholders, employees or society as a whole. We are particularly aware of the importance of demonstrating our commitment in the places where we operate facilities, and of the need to dedicate the greatest of care to protection of the natural environment

Ethics and integrity

During 2008, the CLH Group started work on designing a Code of Conduct in accordance with the best international practices. The purpose of this Code is:

- To obtain professional, ethical and responsible conduct from 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 behaviour, that is in harmony with the corporate image and reputation that the CLH Group wishes to project to the communities where it has a presence.

The CLH Group Code of Conduct will be applicable to the members of the company's administrative and management bodies, and to all employees in the companies that form the CLH Group. The CLH Group will also promote the code among its suppliers, contractors and co-workers, in order to create a link and provide guidelines for conduct that conform to the principles and values contained in this Code.

Lastly, it should be mentioned that this document has been approved by the Corporate Social Responsibility Committee and the Management Committee. The CLH Group expects its Code of Conduct to be approved by the Board of Directors during 2010.

A source of wealth for society and its interest groups

Challenges for 2009	Degree of compliance	2009 Milestones	Challenges 2010
Improvement in processes for documentation and notification of orders with customers.	High	Improvement in processes for documentation and notification of orders with customers.	Change of purchasing management computer system version, extending it to management of contracts with suppliers.

Our approach

The CLH Group is firmly committed to creating value for all its shareholders, through transparent management that is based on establishing relations of trust and cooperation with its interest groups.

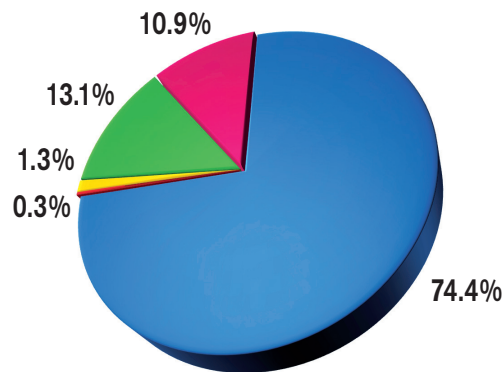
The share capital of Compañía Logística de Hidrocarburos CLH, S.A. is 84,070,140 euros, represented by 70,058,450 shares each with a nominal value of 1.2 euros, fully subscribed and paid up and distributed into three classes:

- Class A, comprising 90,000 bearer shares.
- Class C, comprising 68,279,401 registered shares.
- Class D, comprising 1,689,049 bearer shares.

All the company shares have identical contents as regards rights and obligations and their distribution into classes corresponds solely to their representation by means of registered certificates in the case of class C shares, and by means of accounting entries, in the case of class A and D shares.

2.54% of the company shares corresponding to classes A and D are listed on the four Spanish stock exchanges, although in 2009 shares in the company were only traded on the Madrid stock market, which can be considered a normal situation. The number of securities traded in that year was 23,825.

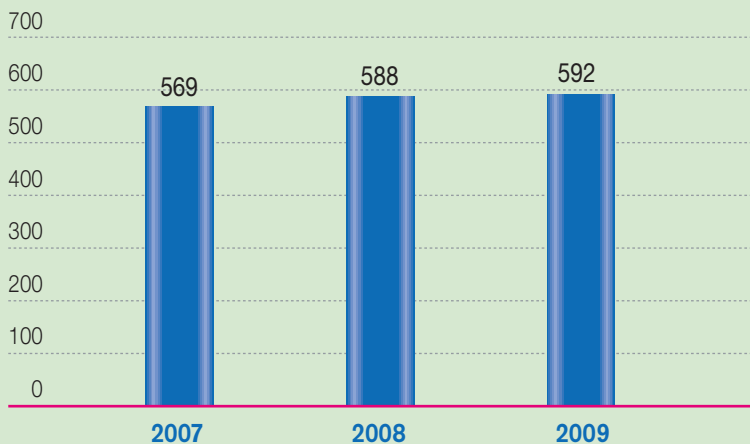
Origin of CLH Group earnings from service provision in 2009



- Land sector
- Marine sector
- Charters
- Aviation sector. Supply to aircraft
- Aviation sector. Supply to airports

During 2009, and in the same way as was done in the other securities markets through Circular 1/2009, of 7 July, the Madrid Stock Exchange established a new electronic securities trading system, in which the CLH shares were included, called the “electronic trading system”, which is open for longer hours and replaces the traditional mode of trading shares in word-of-mouth trading rings.

CLH Group Evolution of operating income (millions of €)



Economic value generated

The commitment to create value and maintain profitability is reflected in the results for 2009:

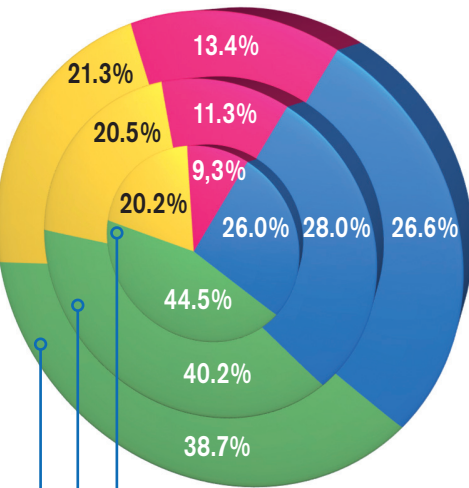
- Operating income of 592 million euros, an increase of 0.5% in respect of 2008.
- Investments of 137.7 million euros in 2009 for the expansion and improvement of facilities.
- Operating profit amounted to 223.5 million euros, meaning a decrease of 1.5 million euros, or 7%.
- Net profit of 177.7 million euros, which is 9.3% more than in 2008. Profit from trading and financial transactions was 9 million euros lower than in 2008 and the outcome in Other profits and losses was 32.1 million higher than in 2008 due to the increased reversion to profits of provisions set up for covering tax liabilities.
- The listed share price (last price in the period) in 2009 was 40.5 euros.

Economic value distributed

Thousands of €

Economic value distributed	2007	2008	2009
Supplies	167,153	171,424	154,479
Remuneration to capital (Dividends)	285,663	246,480	224,173
Staff costs	129,846	125,594	123,707
Payments to governments (taxes+finances)	59,577	69,233	77,460
Total economic value distributed	642,239	612,731	579,819

Economic value distributed %

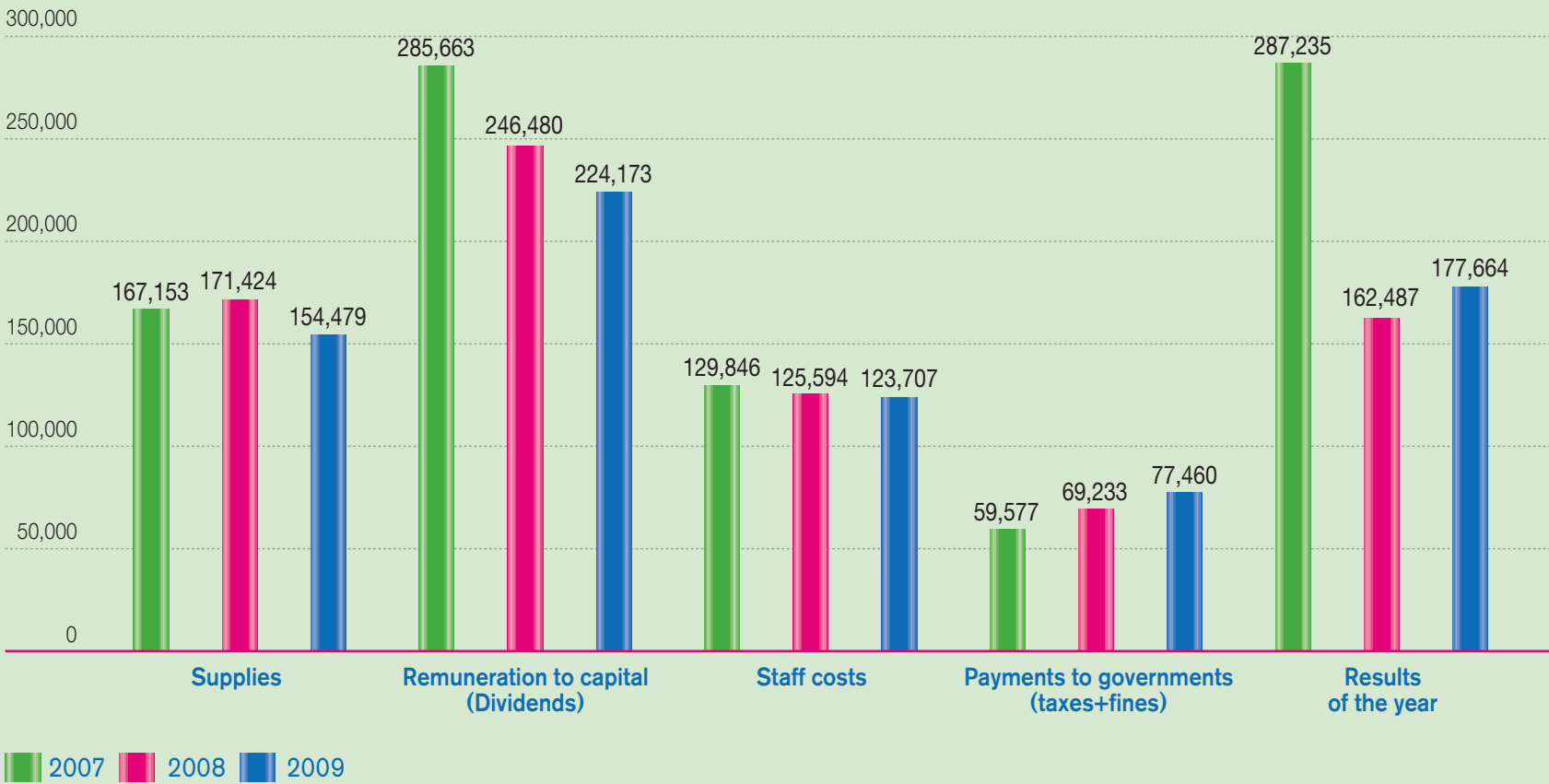


2007
2008
2009

- Supplies
- Remuneration to capital (dividends)
- Staff costs
- Payments to governments (taxes+finances)

Variation in wealth flows 2007-2009

Thousands of €



Indirect economic value

Besides 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 were as follows:

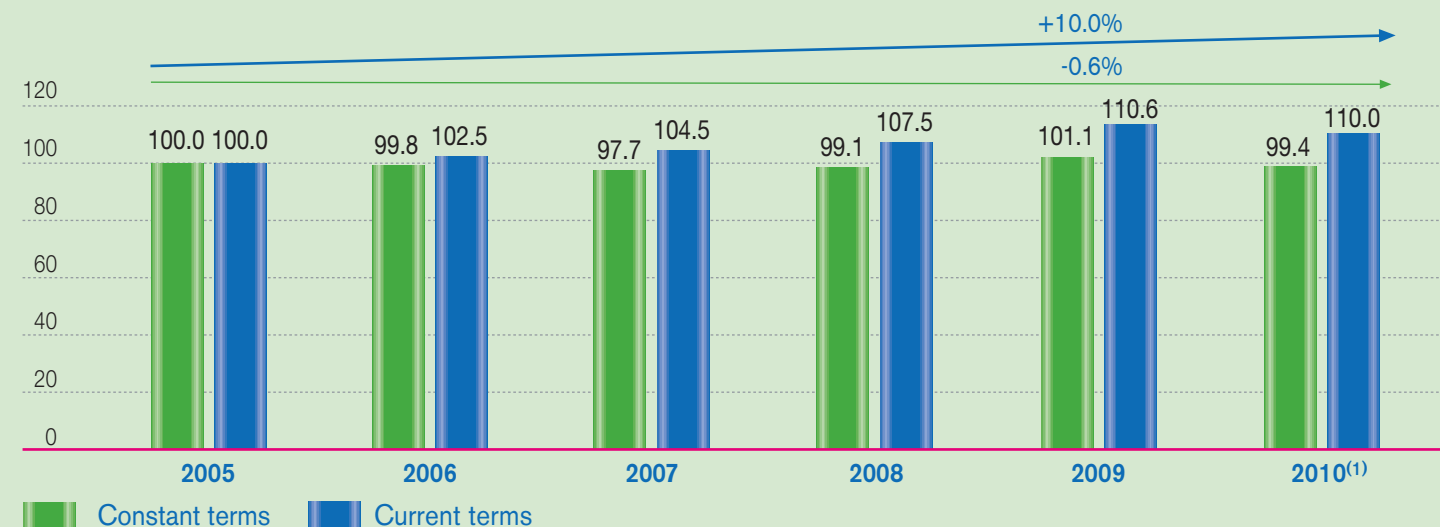
- The CLH Group's hydrocarbons logistics system stands out for its integrated nature and an excellent optimization of the use of available assets and resources, providing a high level of safety and efficiency in the storage and transportation of oil products which is beneficial to consumers as a whole.

- 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 cent of one euro per litre, which means less than 1% of the fuel prices paid by end consumers.
- The CLH pricing policy has meant being able to hold service prices steady in constant terms since 2005, and this affects the fuel prices paid by the end consumer.

The CLH Group pricing policy has meant being able to hold the company's service prices steady in constant terms since 2005, which has a direct effect on the fuel prices paid by end users

Evolution of CLH service prices*

Year 2005=100



*The price includes reception, storage, transport, dispatch and tank truck loading.

(1) Estimated average price in 2010: €7.884/m³ or €0.0079/litre.

Use of the CLH Group's pipeline network means a reduction of 400,000 tons in CO₂ emissions released into the atmosphere

- One of the CLH Group's objectives is the intensive use of the pipeline network in order to minimize transport costs. Therefore there is a decrease in transport by road or sea, which gives rise to a decrease in contaminating emissions. It is estimated that the use of the CLH pipeline network represents a reduction of 400,000 tons of CO₂ emissions released into the atmosphere.
- On the other hand, the diversification process started by the CLH Group with the aim of being able to receive, store and dispatch biofuels is making it easier for products of this type to be used on a nationwide scale.
- 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.
- The transfer of its facilities to less populated areas assists in their urban development, while also facilitating and managing the transfers of its employees to these locations.

The CLH Group and value generation through its suppliers

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

- To unify purchasing criteria.
- To ensure economic efficiency and transparency when it comes to making purchases and contracting services.

The Purchasing and Warehouse Unit is responsible for centralized management of purchases at corporate level. Besides this unit, purchase management duties may be delegated to any other unit in the company, particularly in cases where, because their purchases are so specific, they have always handled this themselves.

Centralized purchases are those which possess any of the following characteristics:

- Technical specification and standard use 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.

The CLH Group assesses its suppliers in accordance with criteria of safety, quality and respect for the environment

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.

Irrespective of whoever the purchasing manager is, the purchasing process must follow and comply with the following phases:

- Request for material: The person submits the request for the required materials to the appropriate manager, through an internal tool that CLH has for this procedure.
- Selection of suppliers and requests for quotation: This selection is, in principle, made by the manager, although the technical know-how of the person making the request will be considered when it comes to selecting possible suppliers which, generally speaking, must be officially approved by CLH. Quotations are usually requested from a minimum of three suppliers, although this number may vary according to the characteristics, urgency or value of the request.
- Award and completion of the order: When all the quotations have been received they are compared, not only taking economic aspects into account but also those which, in the opinion of the person making the request, may be determinant. Quotations that are “recklessly low” (the bid is 50% lower than the other quotations received) will not be considered. When

the comparison process has been completed, an award proposal is made, either to one single supplier or divided among several. According to its value and the expense or investment use to which it will be put, this proposal is submitted by the manager for approval by the appropriate CLH body.

- Order follow-up and control of receipt: Both the person making the request and the manager perform follow-up of delivery deadlines, quality, quantity and the suitability of the materials or equipment purchased.

The CLH Group uses a list of “Approved Suppliers of Materials” regarding whom, apart from verifying that they comply strictly with all the requirements established by law, a regular check is made on their reliability through the following parameters: compliance with delivery dates, compliance with the required quality standard and compliance with the required control of quantity.

In the case of service providers, the assessment criteria are: Quality, Safety and Environment.

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, and 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 everyone. It is one of the channels used for complying with regulations relating to classification systems that are established in Law 48/98 on contracting procedures for the water, energy, transport and telecommunications sectors.

A supplier must 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 capacity 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 CLH Group, and they are required to comply with the same safety regulations as CLH workers. Besides this, in 2009 68.4% of the most important contractors and suppliers of materials and equipment were assessed from the viewpoint of their social responsibility, analysing aspects such as::

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

Systems were introduced during 2009 for streamlining communications with suppliers and users placing orders. 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, which also remain accessible for subsequent consultations.

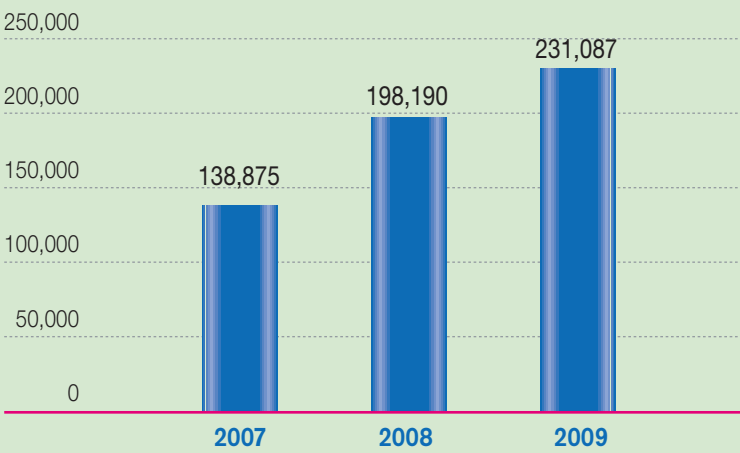
96% of all purchases made by the CLH Group in 2009 were made in Spain

This system has speeded up and improved the authorization circuit, attaching the necessary information for this in electronic format for revision 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 2009, 96% 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, with the aim of contributing to the development of the local communities.

CLH Group awards of materials and contracting of services

Thousands of euros



Corporate Social Responsibility in the CLH Group

Challenges for 2009	Degree of compliance	2009 Milestones	Challenges 2010
Publication of the second Corporate Social Responsibility Report.	High	Modification of the Articles of Association to adapt them to changes in the law and to recommendations regarding corporate governance.	Publication and verification of the third Corporate Social Responsibility report.
To disseminate and promote the Corporate Social Responsibility Outline Plan.	High	Dissemination and promotion of the Corporate Social Responsibility Outline Plan.	To continue disseminating the Corporate Social Responsibility Outline Plan.
To create a favourable atmosphere for making the Mission, Vision and Values known and applying them.	High	Dissemination of Mission, Vision and Values.	To continue making the Mission, Vision and Values known and applying them.
Approval of the Code of Conduct by the Board of Directors.	Medium		Approval of the Code of Conduct by the Board of Directors.

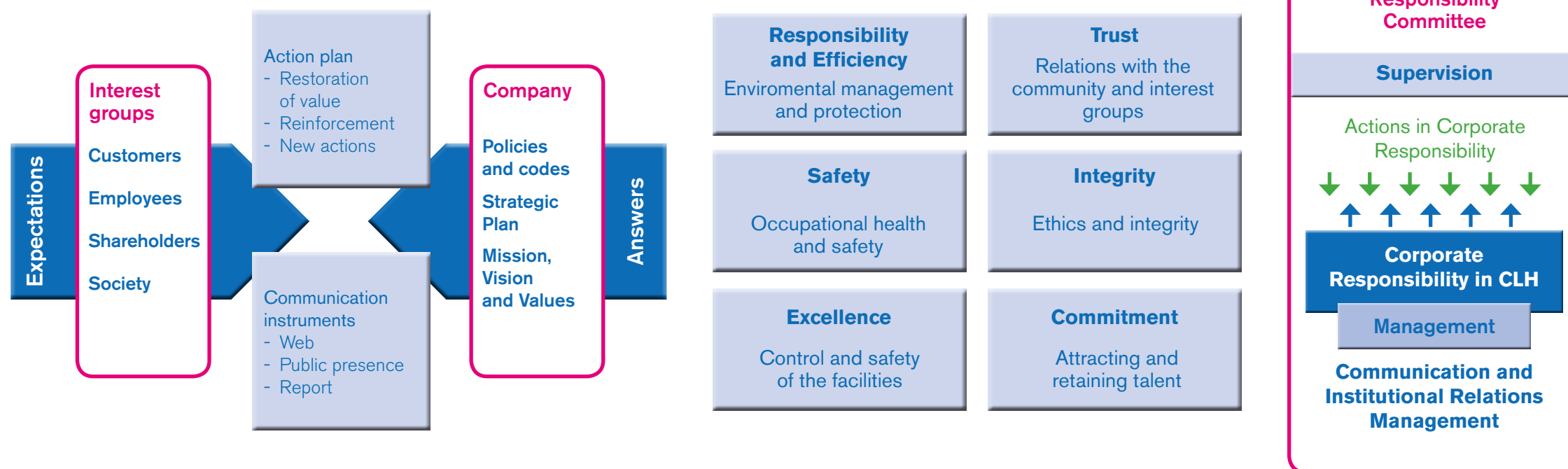
Our approach

With more than 80 years of history behind it, not only does the CLH Group wish to be recognized as the leading company in the Spanish market for the transportation and storage of oil products, but also for the excellence of its processes and services and for its contribution to the wellbeing of the societies it serves.

The CLH Group Corporate Social Responsibility strategy

The CLH Group corporate social responsibility model aims at establishing relationships of trust with its interest groups. To achieve this, its target is to become a reference company in the transportation, storage and distribution of fuels, by generating value for society.

The 2007-2011 Corporate Social Responsibility Outline Plan is the tool the CLH Group uses to implement its Corporate Responsibility Policy. This Plan comprises six action areas and involves all areas of the company.





Corporate Responsibility in the CLH Group is managed by the Department of Communication and Institutional Relations, which receives assistance and advice from the Corporate Responsibility Committee and is supervised by the Management Committee.

The following are among the duties of the Corporate Social Responsibility Committee:

- To inspect the approach of the Outline Plan and the action programmes that form part of it.
- To promote and monitor the plans of action provided for in this Outline Plan and to keep the administrative and management bodies of the company informed about their progress.
- To supervise compliance with the external commitments assumed by the CLH Group in relation to corporate responsibility.

- To lend support to the Department of Communication and Institutional Relations in identifying, holding dialogue and cooperating with the various interest groups.
- To collaborate in the preparation of the Corporate Social Responsibility Report.

Lastly, within the framework of this Corporate Social Responsibility strategy, in 2007 the CLH Group became a member of the United Nations Global Compact which involved its undertaking to support and develop the ten principles of this pact in relation to respect for human and labour rights, the environment and anti-corruption practices. In this respect, each year the CLH Group draws up a Progress Report in which it reports on the progress being made by the company in this field.

The CLH Group's Corporate Responsibility Policy and the Commitment to its Interest Groups are available for consultation on:
www.clh.es

The Global Compact Principals are available for consultation on:
www.pactomundial.org

Dialogue with interest groups

The CLH Group kept up an active presence in bodies and associations related to the energy sector throughout 2009.

The company is a member of the top organizations for professionals in the energy sector, such as the Spanish Energy Club (Enerclub) and the Spanish Association for Energy Economics (AEEE). It is also an associate member of a wide group of business associations, including the CEOE (Confederation of Employers and Industries of Spain), the Spanish Círculo de Economía, the Spanish Businessmen's Circle, the American Chamber of Commerce, the Luso-Spanish Chamber of Commerce and Industry, the Spanish Institute of Economic Studies, the IE Business School, the Institute of Directors-Administrators and the Association for Management Progress.

The company was one of the sponsors of the 5th Convention of the Autelsi (Spanish Association of Telecommunications and Information Society Users) Awards that are given in recognition of the business initiatives that have contributed most to the development of the information society in our country.

It has also participated in various forums and conferences, the most important of which were the 2nd Annual Oil and Gas Pipeline Maintenance and Reliability Conference, which took place in Vienna; the 4th Euro-Mediterranean Energy Forum; the GENERA 2009 International Energy and Environment Trade Fair, in the conference on biofuels; the 4th Spanish Metrology Congress and the 31st Congress on Logistics organized by the Spanish Logistics Centre (CEL).

On the other hand, a new edition of "Meetings at the Top" was held at the CLH registered office. This is an initiative organized by the Spanish Club for Excellence in Management (CEG) for developing the exchange of opinions among companies, and on this occasion around twenty senior executives from different organizations were present.

Besides this, the chairman of the CLH Group appeared before a sub-committee of the Spanish Parliament's Lower House to give his views on the energy strategy that our country should follow until 2030. This contribution formed part of a round of personal appearances in which the top executives from the major energy companies in Spain participated.

Over 75,000 visits to the CLH web page were recorded in 2009

During 2009 the company also promoted institutional relations. In this respect, and with the aim of improving the level of knowledge held by society about its activities, visits were made to its facilities by various public figures and bodies:

- Executives from SFDM (Société Française Donges-Metz S.A.), one of the major oil product transportation companies in France.
- A delegation from the Military Emergencies Unit (UME) together with representatives of the Ministry of Industry, Tourism and Trade.
- A group of executives from the oil company BP.
- The Regional Minister of Economy and Finance of the Autonomous Region of Madrid.
- Students from the Faculty of Environmental Science at the Autonomous University of Madrid (UAM).
- Students from the Senior Course in Energy Business, which is given by the Spanish Energy Club.

Every year the CLH Group draws up a detailed communication plan which includes the courses of action to be followed for promoting the relationship of trust with the different interest groups. During 2009, it attended to over one hundred journalists who asked

for information about the CLH Group and its future projects, while press conferences and meetings with the media were organized to give news of the economic results of the company and its main projects. In this regard “El Nuevo Lunes”, a newspaper dealing with economic matters, has once again recognized the CLH Group communication policy and has placed the company in its classification as one of the top 20 private companies with the greatest degree of reporting transparency.

There was also an increase in the number of consultations made on the corporate website, which is one of the Group’s main communication tools and recorded over 75,000 visits during 2009.

Good corporate governance

The CLH Group's corporate governance practices are one of the central points of its corporate responsibility strategy and are aimed at achieving the strategic objectives of the company through the adoption of the best corporate governance practices in listed companies.

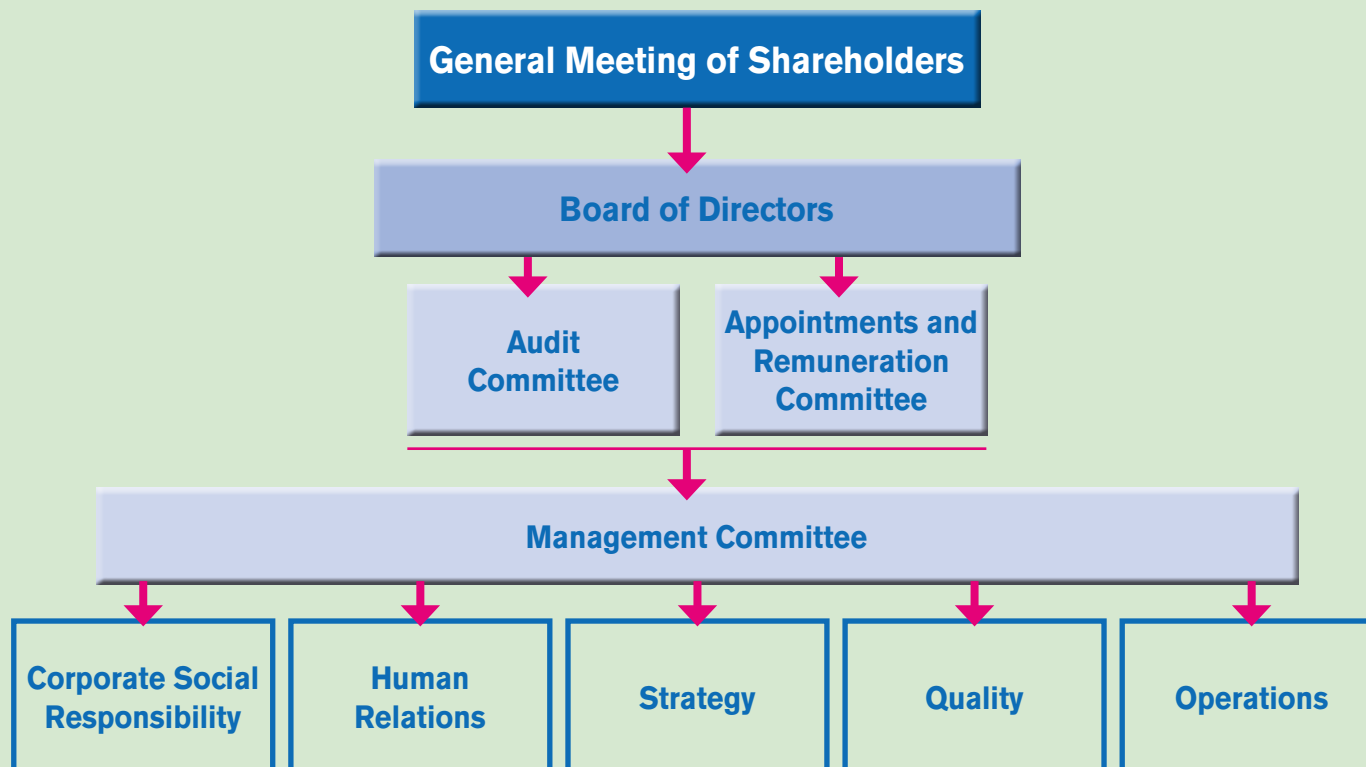
The internal regulations that govern the actions of the CLH Group in the area of good governance are contained in the Articles of Association, the Shareholders' Meeting Regulations, the Board of Directors Regulations and

the Internal Regulations for Conduct in the Securities Market.

The main tool used by the CLH Group for fulfilling its commitment to transparency in reporting and disseminating the corporate governance contents is its website www.clh.es. On this site there is a section called "Information for Shareholders and Investors" which includes information relating to:

- The company's share capital structure and shareholders.
- The functioning of the General Meeting of Shareholders.
- The composition and duties of the administrative bodies.
- The corporate governance regulations.
- Relevant information of interest concerning the CLH Group.

In relation to consultation and reporting action undertaken with the company's shareholders, it should be noted that the CLH Group administration structure established in the Articles of Association guarantees the presence of representatives of practically the whole of the shareholding body on the Board of Directors, which contributes to permanent dialogue being maintained with this interest group which takes an active part in decision-making through the supreme administrative body of the CLH Group.



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. It will necessarily meet 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 the application 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 General Meeting of Shareholders Regulations, which complete the provisions of the law and the Articles of Association.

Composition of the Board of Directors at 31 December 2009

Chairman – Chief Executive Officer	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. Raimundo Baroja Rieu
	Mr. Alfredo Antonio Barrios Prieto
	Mr. João Pedro Leitão Pinheiro de Figueiredo Brito
	Mr. Demetrio Carceller Arce
	Mr. Pedro Fernández Frial
	Global Noray, S.L. (represented by Mr. Miguel Iraburu Elizondo)
	Global Ramayana, S.L. (represented by Mr. José Luis Palomo Álvarez)
	Global Winche, S.L. (represented by Mr. Guillermo Briones Godino)
	Mr. Philip Bernard Holder
	Mr. José Luis Pego Alonso
	Mr. Dominique de Riberolles
	Mr. Juan José Rodríguez Fidalgo
	Mr. Luis Suárez de Lezo Mantilla
	Mr. Robert Edward Verrion
Secretary	Mr. Luis Valero Quirós

The Board of Directors

The Board of Directors holds powers regarding all matters referring to management of the company and is authorized to represent the latter. With the exception of matters that are reserved for being dealt with by the General Meeting of Shareholders, the Board of Directors is the top decision-making body of CLH and the criterion that governs all its proceedings is the maximization of company value, both in the long and the short term, by running the company, supervising the performance of business activity and ensuring its future viability.

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

*In the CLH Group,
99.15% of its share capital
is directly represented on the
Board of Directors*

The Board of Directors has formed the following committees from among its members, as complementary administrative bodies:

Audit Committee, whose mission is to supervise the performance of internal audits, request and receive information from external audits, and to safeguard the accuracy of information in relation to the shareholders and the financial markets.

Appointments and Remuneration Committee, whose mission is to report on or draw up proposals regarding the appointment and remuneration of the Directors, the members of the executive committee and the Board Committees, and the executives of the company.

Management Committee

The Management Committee is an internal steering and control body to which, in turn, other lower-ranking committees with powers for controlling certain specific functions, such as the following, report:

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

Lastly, during 2009 the CLH Group has followed the recommendations for good corporate governance that are 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 arising from the company's ownership structure and administration. In this respect, special mention should be made of the maximum participation that the shareholders have in the management of the company since the Articles of Association stipulate that every shareholder with equity holdings of 5% or more are guaranteed a presence on the Board of Directors, meaning that practically all the shareholders, which currently hold 99.15% of its share capital, are represented on this body.

On the other hand, it was agreed by the General Meeting of Shareholders, held on 15 December 2009, to modify certain of the Articles of Association, one of them being article 14, relating to the convening of the General Meeting of Shareholders, and article 27, which deals with the remuneration of the directors, the purpose in both cases being to adapt their wording to changes in the law and to recommendations as regards corporate governance.

The modification of article 14 includes the legal changes relating to the minimum advance notice for publishing the announcement convening the General Meeting



The salaries paid to the Board of Directors have been brought into line with corporate reality and take account of the most recent corporate governance recommendations

of Shareholders and, as regards the right to request a complement to the calling of the General Meeting of Shareholders, because of its potential interest for the shareholders and since it is in line with the best corporate governance practices, it reproduces the legal right held by all shareholders who represent at least 5% of the CLH share capital.

On the other hand, the regulation of directors' remuneration as laid down in the Articles of Association has also been adapted to the reality of the company, to the most recent corporate governance regulations and to the legal requirements in this regard. The new wording of article 27 of the Articles of Association links the remuneration of the Board of Directors to the profits obtained by the CLH Group, thereby helping to align the interests of the directors more fully with those of the shareholders.

In addition, the above-mentioned article establishes a specific salary for holding office on the board of directors, which is separate from the different types of compensation that may be payable to board members who perform executive duties, using for this purpose a formula that is identical or similar to that used by most listed companies. In any case, the article itself

establishes that these emoluments shall be reported on in the Report and the Annual Corporate Governance Report, thereby complying with the transparency that must necessarily be observed in this regard.

In short, the modification of both articles was adopted after carrying out a comparative study of the way these aspects are regulated in the Articles of Association of the principal Spanish listed companies, and is considered to be in line with the best corporate governance practices.

If you wish to know more about the CLH corporate governance practices, please consult the Annual Corporate Governance Report on:

www.clh.es

The CLH Group participates in the Joint Inspection Group, promoting and guaranteeing the control of quality and efficiency at fuel facilities

Participation in developing public policies

The CLH Group belongs to a number of important organizations in the hydrocarbons sector, through which it states its position on various public matters that affect it.

For example, the General Secretary of CLH is a member of the Hydrocarbons Advisory Board at the Spanish Energy Commission (CNE), the public regulatory body 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 Director of Marketing and Sales, Salvador Guillén, was appointed Chairman of ASTERQUIGAS in 2009.

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 the important issues that the company has focused its attention on:

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

Risk Management Model

The CLH Group has designed its Risk Control and Management system in accordance with 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. By using this methodology, the CLH Group pursues the following objectives:

- 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:

- **Strategic risks:** Those that are considered to be key and unavoidable for the company and which must be managed proactively and as a priority.
- **Operational risks:** Those that affect operational management, and which may come to have a significant effect on Group operations.
- **Reporting/financial risks:** Those that directly affect aspects of information reported to the company and/or third parties. This category also includes financial risks.
- **Compliance risks:** Those that affect compliance with internal or external regulations in respect of third parties.



The CLH Group Management Committee assesses the risk profile through the Audit Committee, which performs risk monitoring and establishes measures for ensuring they are correctly controlled and managed

In this way, the company assesses:

- Inherent risks (risk that is present for the company in the absence of any action taken by the management for changing the risk probability or its impact).
- Residual risks (risk that remains even after the management has implemented a response to that risk). The risks that are identified and assessed include those related to safety in product storage and transportation, the safety of staff and the environment, and also the response to situations of pandemic illnesses or other crisis situations.

The CLH Group has a risk management procedure that is adapted to its activity and its associated risk profile. Besides this, it has established continuous monitoring of the risks in each process and unit in the organization, notifying the Management Committee 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 company, carrying out follow-up of the risks and establishing the appropriate measures for guaranteeing their proper control and management.

The Risk Map Technical Secretary's Office supports the organizational units in the implementation of the corporate risk management and control procedure by

ensuring that it is duly complied with, besides monitoring the plans of action established regarding risks. This Secretary's Office is also responsible for:

- Integrating risks by taking their interrelations 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 management of the corresponding processes or projects.

The most important control systems in the organization are:

- The Environmental Management System (certified by AENOR according to the ISO 14001 standard) and the Safety Management System which includes both the prevention of occupational risks and industrial safety. They are both based on the Group's policy for minimizing the impact of its activities on people, assets and equipment and are formed by a series of rules and procedures that guarantee compliance with them and with those deriving from current legislation.
- The CLH Group has its own risk prevention service, an arrangement with a prevention company and a Prevention Plan that forms part of company policies

(which includes annual plans for preventive action). Besides this, training courses are carried out on risk prevention.

- The company has a Plan for infrastructure integrity management, with annual monitoring of goals and objectives, that implements the internal rules and procedures required for carrying out operational work efficiently and safely. This plan is being drawn up in accordance with the regulations of the American Petroleum Institute (API), which specializes in hydrocarbon storage facilities and oil pipelines.
- In order to comply with the target of handover to the next generation as stated in the Strategic Plan, the CLH Group has set in motion a succession plan that identifies the key jobs that will require staff to replace the company employees who retire. In order to cover these vacancies, a purpose-made training plan is being applied so that the future managers can acquire the necessary abilities and skills for taking on the new tasks assigned to them.
- The CLH Group has developed a broad control system related to management of excise taxes in order to eliminate any error in the application of current regulations and the corresponding tax payment demands. The management of financial

risks, such as market, credit and liquidity risk, are managed through sensible policies that do not compromise the aims of the company.

Lastly, it should be mentioned that no significant fines and penalties arising from breach of laws and regulations, that are firm in administrative or legal action, were imposed on the CLH Group in 2009.

For more information about the COSO II methodology, see:

www.coso.org

Customer focus and quality management

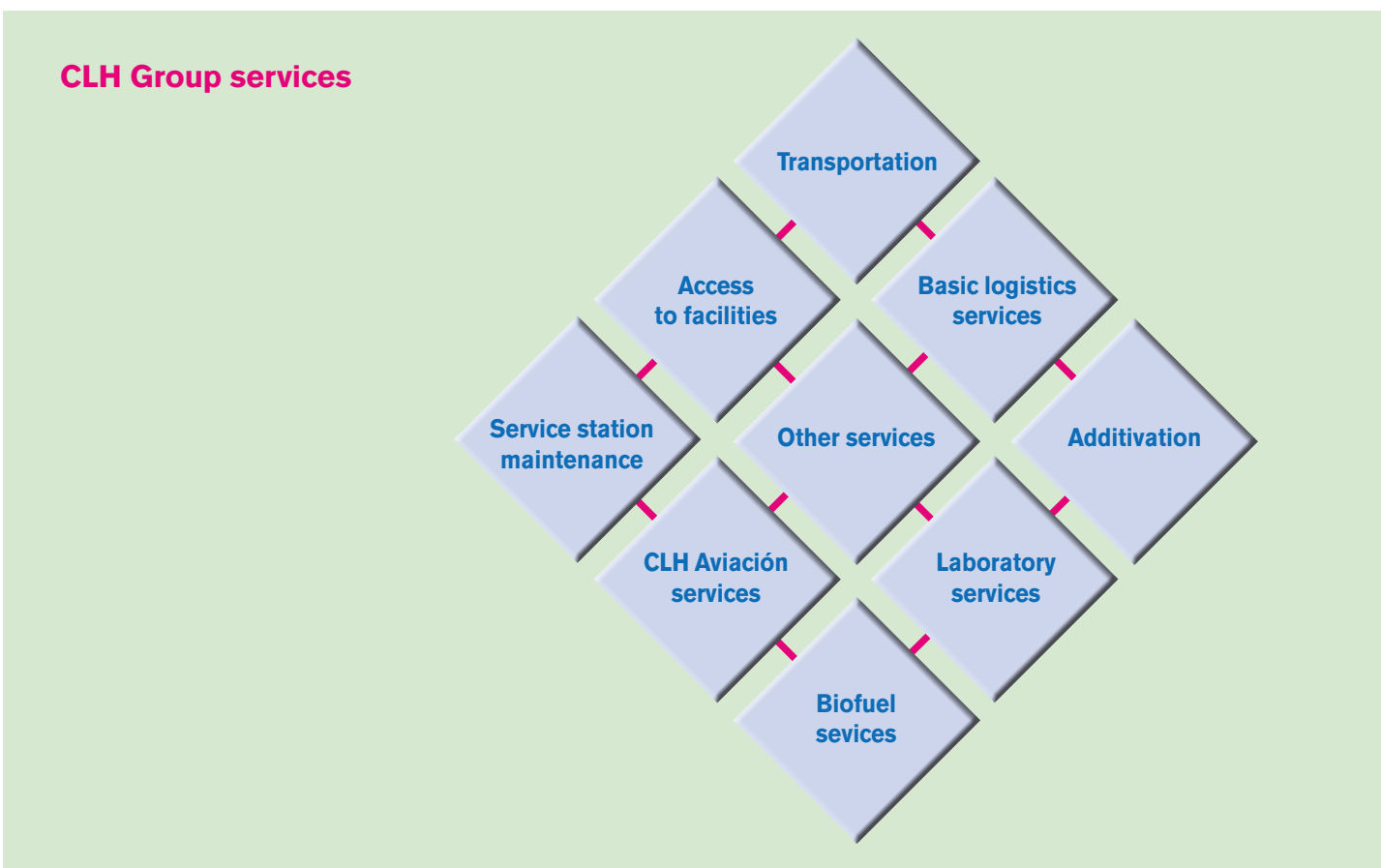
Challenges for 2009	Degree of compliance	2009 Milestones	Challenges 2010
Implementation of plans for improvement deriving from the 2008 survey.	High	2009 satisfaction surveys. Tendencies in satisfaction either maintained or improved. New self-assessment according to the EFQM model, achieving over 500 points. New quality additive for automotive gasolines, adapted to the new fuels and engines. Development of test methods for the characterization and control of biofuels, which are essential for marketing these products.	To obtain recognition for the European Excellence 500+ award, in accordance with the EFQM model. To implement an innovation management system. To select an additive for improving the critical properties of biofuels (how they behave under cold conditions). Commissioning of the new relocation and increase of 36 pit positions (hydrant dispensers) in the hydrant network at Málaga airport.
To define, design and introduce the services for blending of bioethanol in the loading arm.	High		
Improvement in the operation and management of the biodiesel service and providing information about it.	High		
Improvement of customer access to information, through communication via SMS messages.	High		
Commissioning of the hydrant network at the new Terminal in Barcelona airport.	High		
Adaptation of the Facilities to the JIG.	High		
Incorporation of the new developments for improving safety during A-320 aircraft refuelling.	High		
Automation of aviation customer orders.	High		
Incorporation of "all-purpose" vehicles that permit distribution in the peninsula and also make it possible to meet special demands from our customers at airports.	Medium		

The CLH Group provides services for the transportation and storage of oil products in the whole of Spanish peninsula territory and in the Balearic Islands, through its network of over 3,800 km of pipelines and 37 storage facilities. CLH is also one of the few companies in the world to offer instant product accreditation at

destination, which means its customers are able to make use of their products at multiple facilities immediately after delivering them, regardless of how far away the delivery facility is situated.

Commercial offer

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



Access to facilities: The conditions for third-party access to storage and transport facilities existing in Spain, which include the CLH facilities, are established in Article 41.1 of Law 34/1998, dated 7 October, on the Hydrocarbons Sector. This law establishes that the owners of fixed oil product storage and transportation facilities, which are authorized in accordance with the provisions of article 40 of this law, must permit third-party access through a negotiated procedure, under technical and economic conditions that are non-discriminatory, transparent and objective, applying prices that must be made public.

Integrated System for Operators (S.I.O): This system provides operators with all the real-time information necessary for the performance of their activity, while also allowing them to carry out a number of operations directly from their own offices: registration and consultations of orders and customers, movements and consultation of their product account balances, and consultation about carriers and tank trucks.

Additivation: CLH offers its customers the possibility of adding the additives of their choice to the products dispatched from its facilities. These additives are automatically incorporated into the delivery line. CLH assesses and selects its own quality and antifreeze additives which it offers to all its customers for improving product quality.

Our approach

One of the CLH Group's main aims is to achieve maximum efficiency and quality in the performance of its activities, in order to provide all its customers with excellent service and guarantee that society receives a quality, safe and efficient supply of fuels.



Biofuel services: With the aim of satisfying its customers' needs, CLH has incorporated delivery line biodiesel blending logistics services at several facilities. The biodiesel services currently offered are blends of fatty acid methyl esters (FAME) with diesel in proportions of up to 5% before tank truck loading and in-line blends in proportions from 5% up to 30%, which the customer can request for dispatch in each cargo loaded. Several facilities are also being adapted for storing bioethanol and making blends of gasoline with this biofuel in the tank truck loading operation.

CLH Aviación services: CLH Aviación is currently present at 29 Spanish airports in the Iberian Peninsula and the Balearic Islands, providing storage, distribution and into-plane fuelling services for aviation fuels and lubricants. It also provides advisory services and technical assistance for the installation and maintenance of distribution chains for various types of aviation fuel. CLH Aviación supplies turbofuel (JET A1), aviation gasoline (AVGAS 100LL) and aviation lubricants at airports.

Service station maintenance: CLH offers technical assistance for the integral maintenance of service stations. This work encompasses both service station maintenance and technical assistance, such as their adaptation or the sale of equipment. For achieving this, the company has 22 workshop vehicles that are fitted out with the latest equipment and electronics and

metrology laboratories that carry out this activity, and offers their services 24 hours a day, 365 days a year.

Supervision of Deliveries: 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 which all products that are imported by tanker are analysed before being unloaded. CLH performs an analysis of the products that enter its system, which ensures that all the products entering its logistics system comply with the quality standards established in the contract.

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.

Analysis laboratory services: The management of fuel technology and quality is one of the distinguishing strengths of the CLH Group, whose prestige and reputation are recognized on a nationwide and European level. As support infrastructure for this management it

The CLH Group has its own network of laboratories for the performance of product analysis and characterization

has a network of laboratories for carrying out product analysis and characterization. This network is 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.

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 product reception, delivery and internal movement processes. Technical competence in this field is backed by accreditation from the Administration in the area of volume, and by ENAC (the Spanish accreditation body) in its range of operations.

Product identification: Because of the nature of CLH's business, the services provided by the company are subject to requests for information. In this respect, the ADR (European Agreement on the Carriage of Dangerous Goods by Road) regulations make it compulsory to identify the products being transported and the risks arising from them:

- The tank trucks that are loaded at CLH facilities use a system of plates identifying the type of substance and the associated risk.
- In addition, the delivery notes, which serve as accompanying commercial documentation, have the safety measures in the event of an accident occurring printed on the back.

Volume of activity: 2009 has been a year marked by economic recession, and this has had repercussions on the main product withdrawal activity. This explains why deliveries of gasolines and diesel fuels have fallen by 5.0%, by 8.4% in kerosenes and by 5.6% in the product total in relation to 2008. Besides this, there was a decline in the receipts from some refineries that was also due to low refining margins, all of which has had its influence on the logistics movements carried out by CLH.

Although the demand for products has decreased, activity in other business areas has increased, and this can be seen basically in two sectors:

- Increased offer of storage capacity for CORES and EGREP: During 2009, there was a significant increase in new contracted capacity with the Spanish strategic oil product reserves corporation (CORES) and the contract held with EGREP (the Portuguese strategic oil product reserve management agency), which terminated in February, was extended until the end of September 2009.
- Offering new facilities for the new biodiesel service: Seven new customers have joined the biofuels market.

The operators ERG, AGIP and ESSO ceased doing business in Spain in 2009 and their commercial infrastructures have been incorporated into other companies in the sector. This has meant that most of their operating activity remains with CLH.

Lastly, the CLH Group is the company responsible for verifying the use of a certain percentage of biofuels in fuels, and so throughout 2009 work has been stepped up on collaborating with customers and the Spanish Energy Commission for specifying and establishing the information and requirements necessary for meeting this obligation.

Quality management and continuous improvement

The CLH Group has continued honouring its commitment to quality and excellence in all their aspects. Among others, this commitment takes the form of the implementation of the European Foundation for Quality Management (EFQM) Excellency model. The implementation of this model means the strengthening of pre-existing quality systems and involves a global form of company management.

Through this model, not only is the company committed to its economic, financial and customer satisfaction objectives, but it also undertakes a commitment to long-term competitiveness and viability based on satisfying the needs and expectations of all its interest groups and on respect for the environment and the social setting.

During 2009, the CLH Group has introduced a number of initiatives in the sphere of the EFQM model, with which it aims to continue identifying and establishing the best practices identified in the market regarding management, besides consolidating the improved practices now in operation and the results obtained through their use.

Principal lines of quality management in 2009

Product quality: The analysis and control procedures that guarantee the right quality of the products handled by CLH have continued being carried out. The company is also present in specialized forums and participates in national and European fuel specification working groups.

Besides its quality assurance activities, CLH has started up projects for developing methods for product quality analysis and improvement. A large number of initiatives have been developed in this field, the most important of which are:

- Continuation of the project for developing biofuel analysis methods. Provision of equipment and training for the facilities that handle biofuels so that quality control can be carried out on these products.
- Contribution to the development of the European method for detecting traces of biodiesel in aviation fuels.
- Evaluation and selection of a new additive that has proved its effectiveness with the new fuels that include “bio” components and with the new spark-ignited engines.
- Participation in discussion groups dealing with quality and technology for Spanish and European fuels, thereby contributing to the development of the sector and the best compliance with this aim for society.

Process and service quality: The CLH Group places great importance on the trust of its customers and the market. Therefore, and with a view to guaranteeing that trust, the company has carried out several external audits that have allowed it to ratify in 2009 the ISO 9001:2000 certificates it holds for its Basic Logistics, Aviation, Central Laboratory and Service Station Technical Services activities.

Metrological control: One of the most important aspects of the quality of the CLH service is the control of quantities of the products it handles in the various operations and phases of the logistics process. In order to guarantee the reliability of its measurements, CLH has a metrology laboratory and system for metrological control of the measuring equipment. This system is accredited by ENAC, the Spanish national accreditation body.

Service station maintenance: The quality assurance objective in this service continues. With this aim in view, the area has had its own quality management system implemented and certified by AENOR in accordance with the ISO 9001 standard. The certificate was renewed in 2009 and the methodology for identifying customer requirements in this service, assessing and improving satisfaction, continues to be used.

Excellence: The CLH Group seeks to identify and satisfy the wishes and expectations of all its interest groups as one of the ways of moving ahead in its long-term competitiveness and success. With this in mind,





work continued in 2009 for moving more deeply into the implementation of business excellence models. In this respect, a biennial plan of action (CIMA initiative) has been designed and introduced for improving its management in all aspects besides comparing itself with the best, with a view to becoming a reference point at European level. This has made it possible for over 500 points to be achieved in 2009 in the European Seal of Excellence. This score was obtained in a self-assessment process that is hoped to be confirmed in 2010 in an external evaluation process undertaken by the Club for Excellence in Management.

One of the distinguishing features of the EFQM Model is the emphasis placed on continuous improvement or, expressed another way, on the constant moving forward of the organization towards the perfecting of all its processes and activities.

The CLH Group seeks to identify and comply with the wishes and expectations of all its interest groups

The continuous improvement system pursues the constant moving forward of the organization towards detecting opportunities that permit the optimization and increase of efficiency in its processes as well as minimization of the use of resources and, therefore, maximization of efficiency. In parallel with this, the participation systems seek to establish mechanisms for making it possible to gather together initiatives and proposals from everyone in the organization in such a way that the potentialities of all the human capital can be benefited from, while at the same time achieving the satisfaction of everyone in the organization.

The CLH Group has designed the participation and continuous improvement systems jointly, so that the aims of both systems are achieved by taking advantage of the synergies that exist between them. The participation systems include channels for all kinds of proposals that come from all levels of the organization. A system for recognition (a prize) of the best suggestions was introduced in 2009.

The continuous improvement system is designed to cover all possibilities for improvement, regardless of their source (reactive or proactive), regardless of their object (process, product, management system) and their effect (incremental or radical).



Continuous Improvement Process

Suggestions system

The CLH Group uses a formalized, document suggestion management process. In 2009, new energy was put into this process with the introduction of a brand name (APORTA) and a work-flow tool for studying all operational aspects of an activity.

The suggestions and ideas are received in the APORTA application, the Technical Quality Committee re-routes them to the most appropriate company management or managements for them to be studied and assessed, and a decision reached on them.

When the proposal has been assessed, it can either be accepted and introduced or rejected. Besides this, there is also the possibility of creating a working group for making an in-depth study of the proposal in question, or leaving it "on hold" because the suggestion is considered to be an appropriate one but the time is not yet ripe for introducing it.

Improvement action system

All improvement actions (reactive and proactive) are compiled in a work-flow application called "kaizen", a Japanese word meaning "change for the better", where the actions, those responsible for them, dates and evolution are managed.

Working group system

The CLH Group has a systematic procedure for the creation and functioning of working teams. Each team has several members. On the one hand, there is the 'sponsor', who is the manager in charge of finding the necessary resources. He is the one who appoints the "facilitator or coordinator", who can be any member of the organization and is responsible for invigorating the way the group operates. On the other hand, the people who participate in these teams are called 'components', and when the teams have been formed the working dynamics are established by each group (regularity of meetings, distribution of tasks, etc.).

A computer tool that will allow these activities to be systematized and will make it easier to monitor and assess them was purchased in 2009.

Project innovation system

The identification of R&D&i projects was systematized in 2009, which led to their certification. This task will contribute to the future systematization of this activity within the innovation system.

Innovation system

An Innovation Management System was designed in 2009 in accordance with the requirements of the UNE 166002 standard and also in line with the criteria of the Excellence Club's Innovation model.

The aim of this system is to disseminate methodological tools and introduce frameworks, models and systems for innovation that assist in optimizing the use of resources and in the design of new operations, new processes, new management systems and new products and services for facing the new challenges of the market and satisfaction of the wishes and expectations of the interest groups.

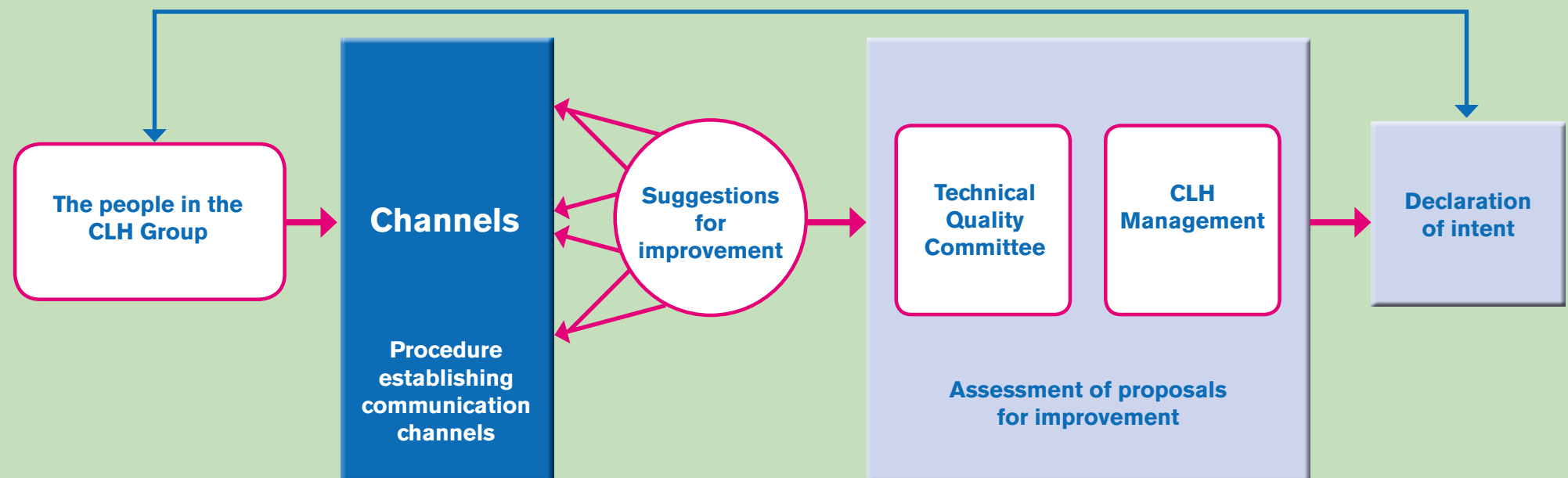
Introduction of the model began during 2009 and completion of this process is expected during 2010.

If you wish to know more about the EFQM Model, please consult:

www.efqm.org

Continuous Improvement in CLH

Communication of the established purposes and aims for developing people participation



Principal actions for continuous improvement in CLH

During 2009, the company continued implementing improvements for optimizing its customer service, the most important of which are as follows:

- Management and information about internal blends of biodiesel with diesel:** In order to suitably manage this activity, a computer application has been developed for recording requests from operators and the measurements of the blends made in the field, so that these movements can subsequently be recorded in the fossil and biofuel product accounts alike, leading to final invoicing of these services. As a complement to this, an option has been developed so that all these operations can be consulted by the different customers through the SIO application and they can receive the movements allocated to their accounts by electronic means.
- Dispatch of incidents in loading operations by SMS to mobile phones:** In line with suggestions received from customers, an application has been made available to the customers so that subscribers can learn of any incidents that occur, as well as their conclusion, by being sent SMS messages.
- Report on quality control of differentiated additivation:** Some CLH customers hold franchises for product and additive brands in their sales networks, and so they are subjected to quality audits on the additivation carried out. Other customers have their own research centres and analyse the products dispatched by CLH for verifying whether they are correctly additivated and contain the recommended proportion of additives. The introduction of a control report that compares the physical measurements of the additive injectors with the theoretical doses was completed during 2009, obtaining the degree of deviation that occurred in each of the delivery notes supplied as well as those grouped by diverse parameters.
- Printing of delivery notes on self-copying paper:** The CLH Group has reinstated self-copying paper in the issue of delivery notes, because of the need for this possibility in some delivery trucks fitted with impact measurement meters.
- Modernization of seaport terminals:** 2009 saw completion of the linking of other logistics facilities in Cartagena with the CLH system and the agreement for use of its seaport terminal, which will facilitate deliveries to customers from this point of origin.

The CLH Group has established a specification for controlling biodiesel quality

Another important activity carried out during 2009 was the work for coordinating with the principal customers and partners in order to lay down the bases for blends of gasolines with ethanol in several of the main CLH plants.

The biofuels sector demonstrates notable differences in respect of the traditional fuels sector. One of these differences is automation, which multiplies the numbers of players and, as a result, the heterogeneous nature of the products in the market, besides which controlling them is made more difficult.

CLH does not market products, it markets logistics and related services. However, it assumes responsibility for the quality of the products it handles and for their behaviour in the end users.

Because of this, and in accordance with the needs and expectations of its customers, the company has established a specification for biodiesel with the aim of guaranteeing the optimum behaviour of this fuel in the market. This is done, at the instigation of the customers, by carrying out visits and interviews with biodiesel producers and marketers in order to control quality and increase the guarantee of the products these agents offer to CLH customers.

Principal actions for continuous improvement in CLH

Throughout 2009, a new version of the information system of the portable terminals was developed, making it possible for information to be exchanged in real time. Customers can now receive information about the supplies undertaken immediately after they have been carried out.

On the other hand, the necessary developments have been carried out so that customers can enter their orders directly at any time from any PC with internet connection. In some cases the customers' management systems have been merged with those of the CLH Group so that these orders are directly entered in their applications.

2009 saw completion of the stepladder prototype that originated in an improvement opportunity regarding safety, and 16 units have been purchased and distributed at 10 airport facilities. This project is explained in more detail in the practical case featured in this section.

Lastly, it should be mentioned that CLH Aviación is the company responsible for translating the Joint Inspection Group (JIG) regulations into Spanish and distributing them.

Customer satisfaction

One of the aims of the CLH Group is to achieve maximum satisfaction among all its customers by providing excellent service. Because of the special characteristics of its activities, the CLH Group has a small number of customers with whom it keeps in very direct contact. This means that the company has a detailed knowledge of their needs and expectations, and is able to include them when designing the different services it offers.

The CLH Group's customers can be divided basically into three groups:

- Oil operators.
- Large consumers (electricity and airline companies).
- Special customers (public administration and various institutions related to the sector).

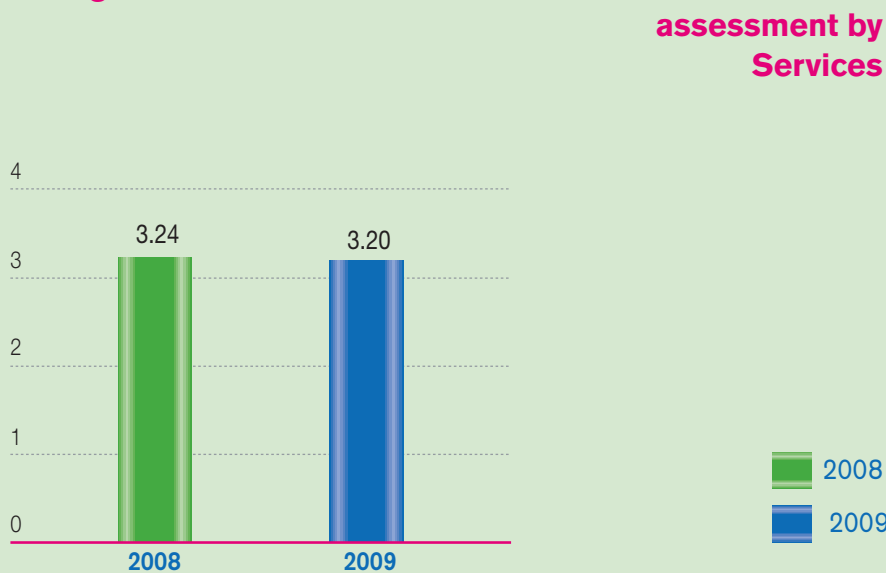
CLH customer satisfaction survey

CLH carried out another customer satisfaction survey in 2009, while also continuing with its periodic meetings with most of them. The average assessment made by CLH customers was 3.20 out of a maximum score of 4.

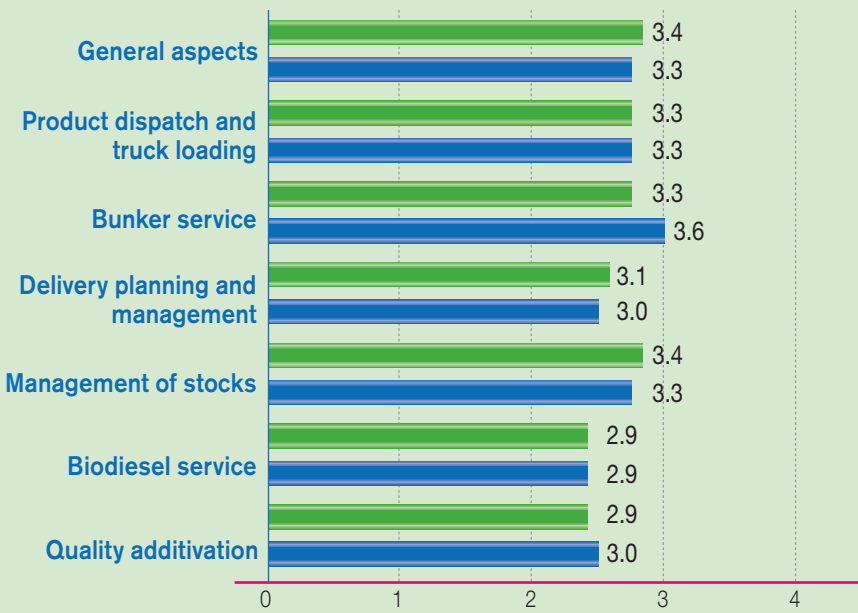
CLH Group Number of customers	2007	2008	2009
CLH	30	33	35
CLH Aviación	12	12	10 ⁽¹⁾

(1) Two operators (Galp Comercializadora and Exxon Mobil) shut down their operations in Spain in 2009.

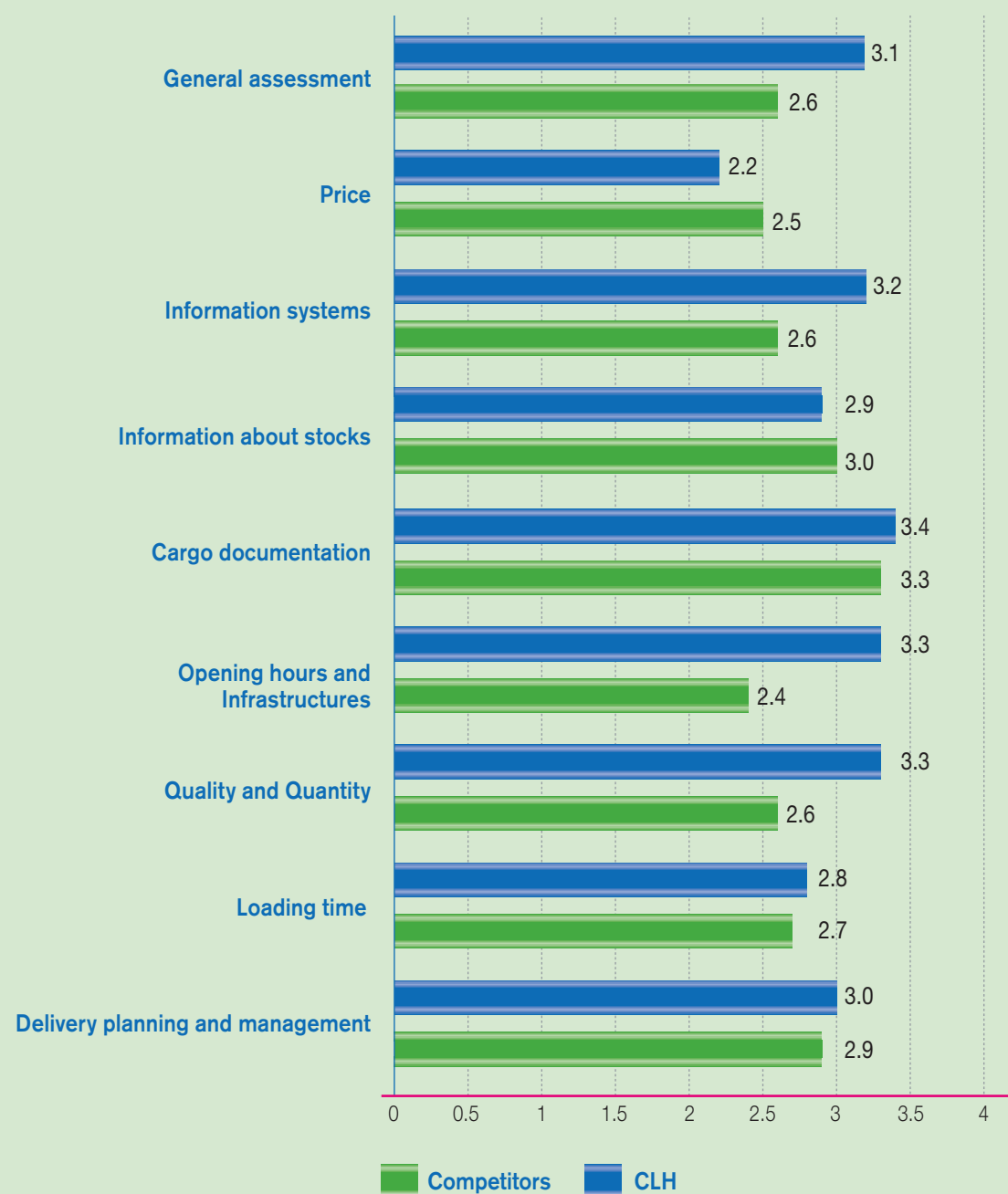
Average assessment CLH



CLH General assessment by Services



Assessment of CLH compared with competitors 2009



Conclusions of the satisfaction survey in CLH

A series of conclusions can be reached from all the views obtained for measuring customer satisfaction, and are summarized below:

- Customers continue to detect the same strong and weak points in CLH services. The positive assessment of the information systems, quantity and quality controls and opening hours and infrastructures is more than noteworthy.
- According to the data collected, CLH must continue following the same line in respect of flexibility, customer care and treatment.
- The company must pay special attention to emerging services such as biodiesel, making an in-depth exploration of requirements and improving processes.
- Our customers want improvements from us in the information offered about the differentiated additivation service.

A series of improvement actions have been established from analysing the results of the survey, and these must be carried out in some areas, such as:

- Management of communicating news of service interruptions.
- Improvement in the management of biodiesel accounts.
- Management of information regarding quality claims.
- Improvement of some of the information offered in the Integrated Operator System (SIO).

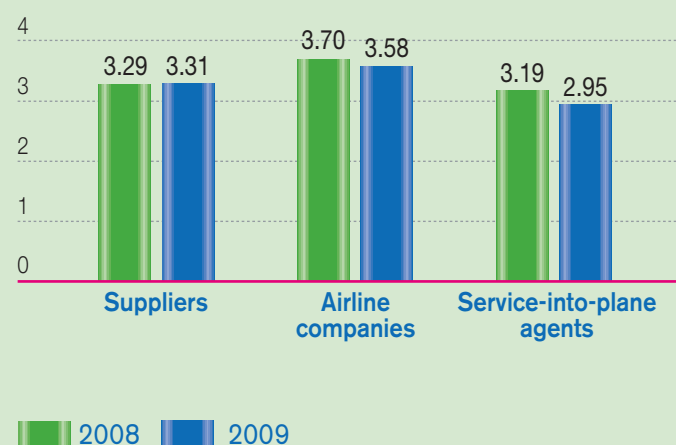
CLH Aviación customer satisfaction survey

Customer satisfaction is one of the greatest concerns of 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.

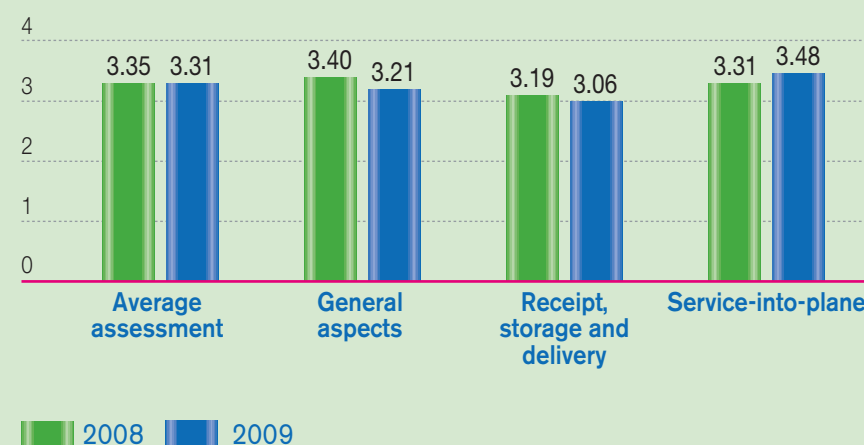
CLH Aviación offers services for the storage, distribution and into-plane supply of aviation fuels and lubricants. It also provides advice and technical assistance for the installation and maintenance of distribution networks for various types of aviation fuel.

CLH Aviación has a close relationship with the end users (airline companies) so as to be able to analyse their level of satisfaction. The company carried out a satisfaction survey among its customers between July and September 2009. The average assessment made was 3.31 out of a maximum of 4.00 points, considering a 100% level of participation. The good results obtained in the surveys relating to image (3.40), safety (3.20), reliability (3.61) and proactiveness (3.45) are worth pointing out, as are the good results maintained in respect of the previous survey related to customer treatment (3.48) and technical capacity (3.36).

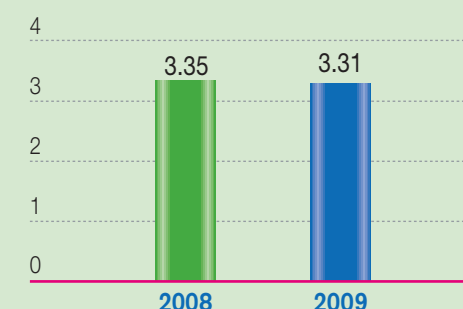
CLH Aviación general assessment by segments



CLH Aviación general assessment by services



CLH Aviación average assessment



Conclusions of the satisfaction survey in CLH Aviación: Opportunities for improvement

- To create a favourable atmosphere for an improved and greater understanding with suppliers, making communication with the facilities easier.
- To increase the level of customer satisfaction by establishing and improving processes for communication and attending to their demands and claims.
- To increase service quality by improving the loading systems of the refuelling units of other service-into-plane agents.

Customer satisfaction is one of the greatest concerns of CLH Aviación, which is why it works on continuing to increase and bring innovation into its service quality

Innovation in the service of our customers

In line with the actions put into operation during 2008, the CLH Group has continued systematizing the process for management of its technological resources with the aim of achieving the maximum increase in value for the shareholder and all the interest groups of the company.

In this respect, there are a number of technological resources that have an obvious effect on customer satisfaction, such as:

- A satellite-connected control system that permits efficient, safe, environmentally-friendly management of its distribution network.
- The Integrated Operator System (SIO), which enables its customers to make use in real time of all the information necessary in respect of the product deposited in the logistics system, being able to perform detailed follow-up at all times and make consultations regarding deliveries, balances and withdrawals, both at an overall level and for each of the storage facilities.
- CLH performs activities for monitoring and analysing the technological evolution of the various additives handled by the company.

- CLH has also developed its own methods for the analysis and characterization of pure biofuels or those blended with traditional fuels that have made it possible for its customers to have an activity in this sector, besides developing the sector itself.

During 2009, CLH Aviación continued with its development of portable terminals, particularly in the area of transmission of information to customers. This new progress enables customers to find out details of the operations in real time, which improves management of the final dispatch of the aircraft as well as the control of product supply to customers.

It should also be noted that the hydrant network, which includes the latest technological advances in this type of installation, is now operational in the new terminal at Barcelona airport (T-1). Its features include:

- Pipe leak detection system using a sensor cable.
- Motorized valves for network sectioning.
- Transmitters of pressure and temperature by section over the entire network.
- Remote reporting of cathodic protection status.
- Push-button emergency shutdown at fingers (walkways) on the airport apron.
- Pits with opening alert in control room.
- System for detection and automatic extinguishing of fires and sensor detecting presence of hydrocarbons.

The new airport facility in Vigo has been put into operation. This facility has an automated loading platform, which means improved quality, safety and efficiency for the refuelling unit loading service.

Development has continued on the applications for customer orders for integrating them more fully with the CLH Group systems. This process has been carried out in two phases and permits greater speed and reliability in managing the orders, besides which an improvement has been made to the information available to customers regarding orders that have been carried out.

The CLH Group pipeline network has a sophisticated control system that is connected via satellite

Safety in product transportation

The CLH Group has an extensive network of oil pipelines for transporting products, which links up the reception points with most of the company's storage facilities. This network is fitted with a control system that is sophisticated from the operational and safety point of view, and is connected via satellite, which allows efficient, safe and environmentally friendly management.

During 2009, work started on the automation of product receipts at Barcelona airport and their integration into the CLH pipeline control network.

Also, new refuelling units for aviation gasoline and two for kerosene have been put into service, all of them holding the necessary documentation for circulating on public thoroughfares. The type of vehicle is therefore adapted to present requirements, with the inclusion of safety components that improve transport quality at the airport, the safety of people and the service-into-plane of these products.

Lastly, special procedures have been developed for the performance of the ADR (European Agreement concerning the International Carriage of Dangerous Goods by Road) tests authorized by the Autonomous Region of Madrid at the beginning of 2010. In addition to this, the Safety Consultant, who is the company's adviser for the transportation of dangerous goods,

carries out periodic inspections at the CLH Aviación facilities in order to verify in situ that the vehicle loading and unloading operations in the airport precinct are carried out in accordance with safety procedures and measures.

Protection of data and business communications

The company's commercial information is handled through the Operator Information System (SIO) which permits efficient control over the privacy and confidentiality of customer data.

During 2009, the CLH Group did not identify any breach of the regulations or voluntary codes relating to marketing communications, including advertising, promotion and sponsorship.

Similarly, it did not identify any breach of regulations or voluntary codes in relation to the information that the CLH Group furnishes regarding the services provided during 2009, nor did it receive any complaint regarding respect for the privacy or personal data of its customers.



practical case

Development of a stepladder prototype for beneath-plane fuel supply to aircraft models A-320 or B-737

As a result of the 2008 satisfaction survey, safety in the supply operations for some customers, the airline company Easy Jet in particular, was detected as a possible area for improvement.

A homogeneous team with confirmed experience was set up to study supplies to aircraft types A-319, A-320, A-321 and B-737. This study and analysis gave rise to the possibility of developing a prototype stepladder that included a hose and aircraft connection valve, in order to improve safety in the connection process and the supply of fuel.

A series of basic requirements were defined, based on both safety in the supply operation and on the transfer of the stepladder around the aircraft apron.

After numerous tests and prototype certifications, it was approved and a total of 16 units were purchased. These have been distributed to 10 airports where there is a significant volume of these operations.

In several interviews held with Easy Jet, that company has said how pleased it is with the newly designed stepladder.



A project shared by over 1,600 people

Challenges for 2009	Degree of compliance	2009 Milestones	Challenges 2010
Deployment of new reconciliation measures.	High	Implementation of the Kindergarten Ticket Voucher.	Negotiation of the new Collective Bargaining Agreements in CLH and CLH Aviación.
Performance of the 2 nd internal opinion poll.	Medium	Development of the Erasmus Recruiting Group Progression project.	Negotiation of the Equality Plan.
Extension of the “Lead in order to Motivate” programme to include middle management.	High	CLH progression in the Merco People ranking.	Dissemination and assessment of the 2 nd Opinion Poll carried out on people in the CLH Group. Plan of Action with people.
Renewal of the plan for generation handover and bringing down average employee age.	Medium	Negotiation and agreement of a 2010/2012 Generation Handover Plan for CLH.	Negotiation and agreement of the Employment Plan for CLH Aviación.
“Zero is possible” campaign.	High	Reduction in the number of accidents in the CLH Group.	Development of a New System of Competencies.
			Sustainable reduction in the number of accidents in respect of 2009.

Our approach

The commitment of the human team in the CLH Group contributes to the achievement of its business targets, and because of this the company aims to offer its employees the kind of work environment in which they can develop in personal and professional terms and which makes it possible for personal, family and working life to be reconciled.

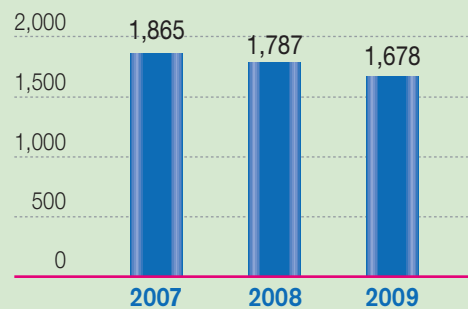
X-ray of CLH Group staff

People management in the CLH Group is an essential aspect when it comes to boosting the company's corporate responsibility strategy. To achieve this, the company promotes responsible management in the different business units under the premises of ethical conduct contained in the Mission, Vision and Values.

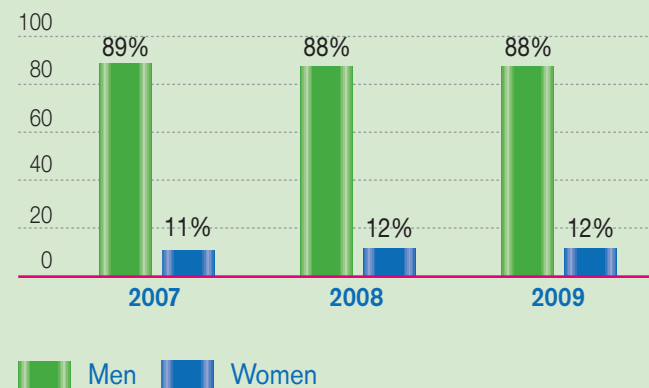
The fundamental values of the CLH Group in human resources management are based on the right to non-discrimination for reasons of race, nationality, ethnic origin, age, religion, gender or civil status. In this respect, no incident of discrimination or forced labour occurred in the CLH Group during 2009.

Besides this, the CLH Group collective bargaining agreements provide for various measures that promote diversity and non-discrimination and encourage the reconciliation of working and family life. Those that include the possibility of requesting extended leave of absence for up to three years when a child is born or in the case of child adoption, are particularly noteworthy. Maternity protection is also established for cases where the job performed exposes the pregnant woman or the foetus to agents, procedures or circumstances that may have a negative effect on their health. In such cases, the working conditions are changed or the person involved is moved to another job, without the employee's recognized salary conditions being affected.

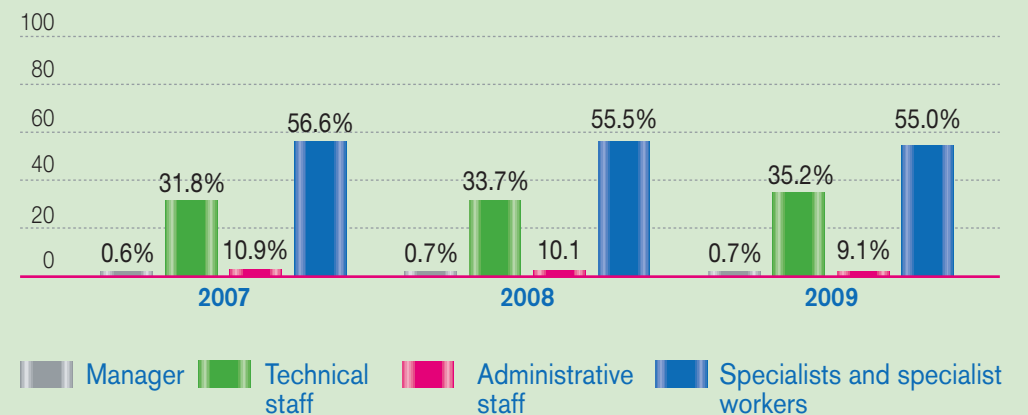
CLH Group number of employees



CLH Group percentage distribution by gender



CLH Group percentage distribution by professional category



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

The total number of employees in the CLH Group amounted to 1,678 (permanent + temporary) at the end of 2009, which is 6.1% less than in the previous year. This decrease is due to lower operational requirements in CLH Aviación, together with optimization of support processes at head office. There is also a total of 227 employees in a situation of partial retirement as a result of the application and development of the Replacement Plan which the company started up in 2007, after being agreed with the trade union representatives.

	2007	2008	2009
% International employees	0.4	0.4	0.4
Average age*	50.2	48.1	46.5

* Permanent+replacement+work experience.

In 2007, the CLH Group began a process for rejuvenating its workforce, which had been agreed with the trade union representatives in the company. This plan is based on staff turnover and recruitment rates experienced by the company over the last fifteen years, which gave rise to the average employee age being over 50 years. The result of this plan is that:

- Employees are able to leave with good conditions up to four years earlier than in the previous situation.
- Young, well-trained, motivated staff have been recruited.
- Teams have been renewed with awareness-raising of the new corporate culture.
- Increase of average training and professional level.
- Elimination of redundancies and optimization of workforces.
- Decrease in absenteeism.

In this area, the plans for partial retirements and replacement contracts that were agreed with the trade unions are enjoying remarkable success, and are accepted in 93% of cases by the employees.

This process is also bringing about an increase in the diversity of the workforce, because of the increasing number of women that have joined the job market in recent years. This fact has been making itself more evident in the latest company recruitments, particularly in technical jobs.

Similarly, and in order to contribute to the reconciliation of working and family life and increased employee satisfaction, a voluntary transfer plan was implemented to allow people who live a long way from their places of origin to move nearer to their normal place of residence.

Testimonies



Domingo Guillén Jiménez
Assistant Electrical Maintenance Technician

Sevilla Storage Facility

"I used to work in Villaverde (Madrid) and decided to ask for a transfer to Sevilla in order to be nearer the family and my homeland. Although the work I do in the company means I have to leave the house early and return late, the change has meant I can be in daily contact with my family".



Fernando Fernández López
Control Room Specialist

Gijón Storage Facility

"I come from Gijón and joined the company to work in Lleida, and so I had already thought about moving back home as soon as possible. The transfer was easy because I already knew the new facility and most of the staff. Although I have left good friends behind by making the change, I can now be with my family and friends again on a daily basis and have gone back to some of the hobbies I'd neglected".



Sergio Cano García
Facilities Operation Specialist

Albuixech Storage Facility

"I asked for a voluntary transfer from La Muela so that I could take up the activity I originally carried out in the CLH Group and because I was too far away from home, so it wasn't easy to find the right balance between my personal and professional life. Although it was rather slow in my case, I think the company's transfers policy is an effective one, just as its reconciliation policy is, because it shows an obvious interest for the family well-being of its employees".

Managing talent

Being aware of the importance of enjoying the services of the best professionals in a competitive sector such as energy, the CLH Group offers its employees quality employment while allowing them to develop their professional careers.

Throughout the year, the company has strengthened its relations with vocational training and university teaching centres, and holds 13 and 59 collaboration agreements, respectively, with them. These agreements have involved students from these centres spending their study period for gaining practical experience at CLH Group facilities. Participation in the Erasmus Recruiting Project is important in this aspect as it has allowed 16 university students from different degree subjects to be granted scholarships after their international university experience, and receive practical training in the company.

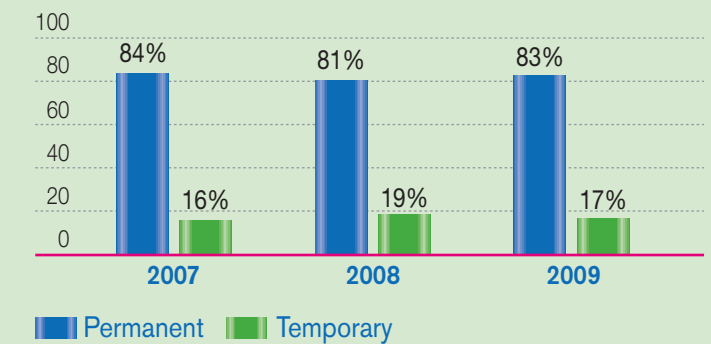
In 2009, 83% of the payroll held permanent employment contracts. This percentage rises to 94% if replacement and job experience contracts, which clearly have a high chance of becoming permanent, are taken into consideration. Of the 292 temporary contracts, 142 are replacement contracts and 55 are work experience contracts.

Also, the average length of service of employees in the CLH Group, together with the low levels of unsought staff turnover, show the high degree to which talent is retained in the company.

Participation in the Recruiting Erasmus project has allowed 16 university students to carry out practical training in the company

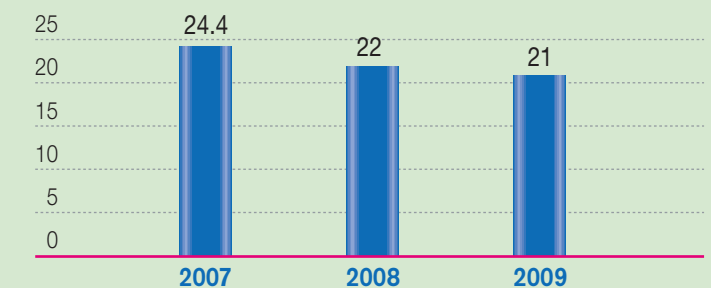
CLH Group percentage distribution by contract type

Percentage



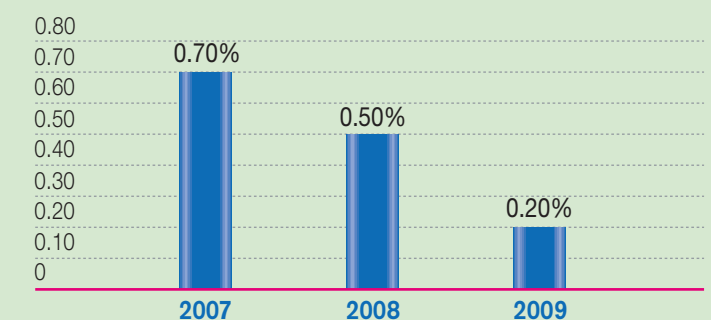
CLH Group average employee length of service

Years



CLH Group unsought staff turnover

Percentage



CLH Group departure of permanent staff in 2009

2009	Gender		Age groups		
	Women	Men	<30 years	30-50 years	>50 years
Turnover in absolute terms	14	81	1	5	89
Turnover rate	8.0%	6.7%	0.7%	1.2%	12.0%

The following formula was used for calculating the "turnover rate":

Turnover rate= no. of employees leaving the organization / total number of employees.

The rate is calculated for permanent staff by group.

The initial salary paid in the CLH Group (the starting salary that must be offered to a full-time employee in the lowest professional group and level) was 17,307.17 euros per annum in 2009, which is twice the minimum inter-professional salary approved by the Council of Ministers and published by the Ministry of Labour for all permanent and temporary employees with contracts of more than 120 days, and which was 8,736 euros per annum during 2009.

In addition, the basic salary in the CLH Group is equal for all employees within each professional group and development level.

One of the top priority lines in the selection procedures carried out in the CLH Group is the recruitment of people who were either born or live in the same geographical area as they are going to work. In 2009, 94% of all contracts signed by the company were completed locally, this measure achieving the following:

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

Staff recruitment CLH Group

	2007			2008			2009		
	Total	Local	%	Total	Local	%	Total	Local	%
CLH	142	127	89%	88	84	95%	91	87	96%
CLH Aviación	48	45	94%	57	55	96%	10	8	80%
Total CLH Group	190	172	91%	145	139	96%	101	95	94%



The company offers its employees a large variety of social benefits, some of the most important being schooling assistance for children up to the age of 24, study assistance for employees, help in house purchase, advances on salary, subsidised holiday programme, meal allowance and help for handicapped family members.

The CLH Group also provides remunerated paternity and maternity leave, besides leave for serious illness of family members, moving house or time off work for sitting examinations, which are longer than those provided for in current legislation. Employees are paid their full salary when on maternity or paternity leave, CLH complementing the public benefits.

The CLH Group human resources policy offers its employees a package that encourages the reconciliation of working and family life

Reconciling working and family life

Being aware of the challenge that reconciliation of working and family life means, and the need to develop more flexible work environments, in its human resources policy the CLH groups offers its employees a package of measures that encourage reconciliation of working and family life, and so all employees can enjoy the following advantages:

- The possibility of part-time work.
- Shorter working hours (with the proportional reduction in salary).
- Paternity leave that is longer than that established by law.
- Extended leave of absence in order to look after family members.
- Flexible holiday calendar.
- Life and accident insurance for employees who have signed up for the company's pension plan.
- Health insurance with advantageous conditions.
- Possibility of job transfer after a centre has undergone streamlining or has been closed down.
- Public welfare payments are complemented in cases of sick leave or leave taken because of an accident.
- Maternity and paternity leave can be taken on full salary.
- Flexitime at head office.

As a result of these initiatives, in 2008 the CLH Group received the Family-Responsible Company certificate which is awarded by the +Family Foundation, a private, independent organization, that confirms the company as one that is committed to reconciling personal, family and working life, and the maintenance audit carried out in 2009 was passed successfully.

In this respect the CLH Group is developing new projects that favour the support given to families and help employees to find a better balance between their working and family life. The latest example of this is the "kindergarten ticket vouchers", intended for use by the mothers or fathers of children between the ages of 0 and 3 years. The aim is for these people to be able to partly or totally pay for their children's schooling through flexi salary and take advantage of the tax benefits offered by law.

The policy designed to favour voluntary transfers in order to allow families to be reunited or closer together also continued during 2009.

Lastly, CLH has drawn up a "meetings model" in order to move ahead with the culture of reconciliation and the efficient management of time. This model also aims to improve the productivity and efficiency of work meetings since it values, respects and optimizes everyone's time, which will bring tangible and intangible benefits to the company and its employees.

Developing human capital

Commitment to training

The CLH Group human resources policy includes 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 individual contribution of their experience and ability to fulfil the objectives marked out by the company.

Over the last five years, the CLH Group has gradually increased its investment on training per employee, which was 4% higher in 2009 than it was in the previous year. The total investment on training was over one million euros in 2009, which is a significant amount in relation to the company's turnover and staff volume.



Investment on training in the CLH Group (€)

	2007	2008	2009
Investment per employee	452	546	568
Total Investment	879,700	1,020,200	1,005,511

CLH Group average hours of training

	2007	2008	2009
CLH	32	39	40
CLH Aviación	21	34	29
Total CLH Group	29	38	37

The following are among the management skills training programmes that the company offers its employees:

The “Lead in order to Motivate” training programme for managers: This is a leadership skills training programme that began in 2006, continued in 2007, 2008 and 2009 and will extend to 2010. In its first phase it was addressed to all technical employees with leadership responsibilities, and since 2009 it has been extended to middle management. Its aim is 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. The combination of these elements aims at improving the level of employee satisfaction and improving team management.

Managerial development programme for employees with high potential. The company finances 100% of the cost of these programmes at business schools.

Guidance plan for new recruits: Besides being heavily weighted on the technical side, the design of the initial training plan has practical, personalized scope and includes a personal tutor and other measures.

Study assistance: The company also offers its employees financial assistance to enable them to undertake the studies they consider to be of interest and applicable to the company.

During 2009, 67 people were promoted to jobs involving more responsibility

Professional development

The CLH Group actively promotes the development of its employees both within their professional group and in promotion to higher groups, and this is done by setting promotion and development activities on a periodic basis that must be successfully passed by the employees involved. 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 job performance.

The company also takes trade union participation into account through a Joint Committee for Professional Classification and Development for informing about, 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 2009, a total of 67 people were promoted to positions involving greater responsibility. In addition to this, a further 23 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.

The CLH Group makes regular assessments of the performance and professional development of its employees. In 2009, a formal performance assessment was carried out on 34% of the CLH Group employees. As a complement to this, CLH continued its work for detecting potential in the company, using the company's "Assessment Centre" programme as a tool for this.

CLH Group performance assessments

	2007	2008	2009
Average Active Staff (a)*	1,945	1,867	1,771
Number of employees who underwent formal assessment of performance and review during the period (b)	671	606	598
Percentage of employees who underwent formal assessment of performance and review during the period (b/a)*	34%	32%	34%

* This reflects a change in the values for 2007, due to the fact that in previous reports the Total Number of Employees rather than Average Active Staff was used as variable (a). The data for 2007 and 2008 have been recalculated using this new value.

Internal communication

During 2009, the CLH Group continued strengthening communication with its employees through holding internal communication meetings, in which around 120 company employees took part. The contents of these meetings are spread to the other employees through meetings with their superiors, the internal magazine and through the corporate portal.

The company continued with its “Breakfast with the Chairman” programme, which was attended by 94 people who were given the opportunity of gaining first-hand knowledge of the strategy and objectives of the company besides making proposals and suggestions to the CLH Group’s top leader.

Besides this, four “meetings of executives” were held throughout 2009 at which the members of the company’s management committee had the opportunity of talking to outstanding representatives of Spanish business society.

	2007		2008		2009	
	Employees covered by collective bargaining agreements	%	Employees covered by collective bargaining agreements	%	Employees covered by collective bargaining agreements	%
CLH Group	1,628	88%	1,558	87%	1,455	87%

Collective bargaining

There are two collective bargaining agreements in the CLH Group 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’s Collective Bargaining Agreement, acting in accordance with these rights. 87% of all CLH Group employees fall under the collective bargaining agreement system.

Occupational health and safety

The CLH Group works to guarantee the safety of everyone who forms part of the organization and the activities that are carried out in it. This is reflected in the company's Strategic Plan, one of whose principal objectives is to reduce the number of occupational accidents and introduce a sound culture of prevention that must be present in all spheres of action.

The aim of the CLH Group's Occupational Risk Prevention Plan is to guarantee the health and safety of the people who play a part in the company's activities, and everyone who belongs to the Group is under the obligation to know and apply it.

One of the priorities of the CLH Group is to maintain maximum safety levels in its facilities. In this respect, all the company's infrastructures are designed and operate with the strictest respect for current regulations, and comply with the most stringent national and international parameters with the aim of achieving total safety for its own staff, for the contractors' staff, and for the environment in which the CLH Group carries out its activities.

The CLH Group's prevention policy is documented in the CLH and CLH Aviación Prevention Plans. These Plans define and develop the company's prevention policy and are a tool for managing and integrating safety in all CLH Group activities.

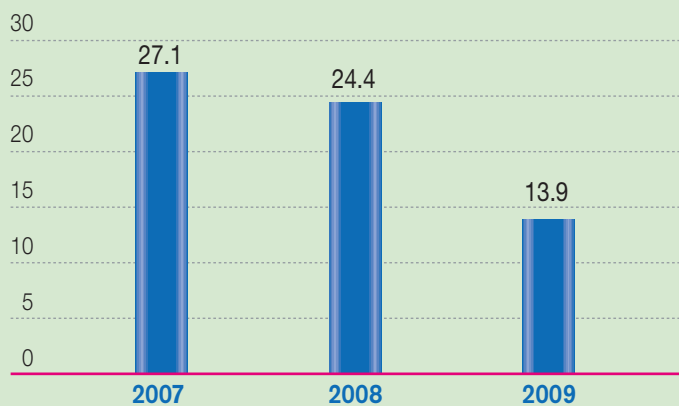
The efforts made in occupational prevention matters over the last few years have meant that in 2009 there was a reduction of 43% in the Total Frequency Rate (TFR) in respect of 2008.

You can consult the
CLH Group's prevention
policy on:

www.clh.es

CLH Group Evolution of the TFR

Total Frequency Rate



CLH	2007	2008	2009
Accident frequency rate* (with sick leave)	7.64	6.94	4.79
Accident severity rate**	0.10	0.24	0.14

CLH Aviación	2007	2008	2009
Accident frequency rate* (with sick leave)	32.89	35.25	17.35
Accident severity rate**	1.05	1.10	0.41

* Accident frequency rate: Numbers of accidents with sick leave between every million hours worked.
** Accident severity rate: Number of calendar days lost through accident with sick leave between every thousand hours worked.

Absenteeism rates
Percentage

CLH	2007	2008	2009
Total Common Contingencies	4.5	4.4	3.3
Total Work Accidents	0.2	0.2	0.2
Total Absenteeism	4.7	4.6	3.5

CLH Aviación	2007	2008	2009
Total Common Contingencies	8.8	7.0	7.1
Total Work Accidents	0.7	0.9	0.5
Total Absenteeism	9.5	7.9	7.5

CLH Group	2007	2008	2009
Total Common Contingencies	5.7	5.2	4.3
Total Work Accidents	0.3	0.4	0.2
Total Absenteeism	6.0	5.5	4.5

In 2009, an occupational risk prevention audit was carried out on a representative sample of the company's work centres and airport facilities

Safety Management System

The CLH Group has a Safety Management System that encompasses all aspects of the organization that have an impact on people, assets and the environment in respect of the risks that are present in the activities themselves or are directly related to the company.

In its strict compliance with regulations, the CLH Group asked INERMAP (the MAPFRE Ergonomics Institute) to carry out a legal audit on its occupational risk prevention system. This audit covers all courses of action undertaken by the company as regards occupational risk prevention. The methodology used consisted of looking for objective evidence through interviews at different levels of the organization, a visit to various facilities and revision of the system's documentation.

This methodology guarantees that the reality verified is accurately reflected, as established in article 31.3 of Royal Decree 39/1997 which approves the regulations governing prevention services, since it has been carried out on a sample that is the most representative possible of the courses of action carried out through the established occupational risk prevention system. The following work centres were visited:

- Head office (C/ Titán, Madrid).
- Storage facility in Villaverde (Madrid).
- Storage facility in Son Banya (Palma de Mallorca).

- Facility in Porto Pí (Palma de Mallorca).
- Storage facility in Gijón (El Musel–Gijón).
- Storage facility in Sevilla (Sevilla).

The airport facilities in El Prat (Barcelona), Son Sant Joan (Palma de Mallorca) and San Pablo (Sevilla) were also visited.

The prevention system aspects that were analysed during the audit process were as follows:

- Organization of prevention.
- Assessment of risks.
- Preventive action planning.
- Risk control.
- Documentation.

There is clear proof from the verifications made that prevention has been integrated into the general management system of the company, both in its overall activities and at all hierarchical levels, through the implementation and application of the occupational risk prevention plan. As general considerations, it can be confirmed that the CLH Group possesses an occupational risk prevention system that shows itself to be effective and well-developed, and covers the majority of the aspects of the organization that have an effect on people, assets and the environment as regards the risks that are present in the activities themselves or are directly related to the company.

In this regard, there is a commitment to carry out activities with special attention paid to the protection of the workers, the facilities and local services nearby them and the public in general.

Preventive actions

The CLH Group has carried out various activities related to the prevention of occupational risks in its attempt to optimize the improvement of control of these risks in order to minimize the number of accidents.

In this respect, the following actions are singled out as contributing to the creation of a preventive, proactive and anticipatory culture in the company for eliminating or reducing the risks that can give rise to accidents:

- During 2009, the CLH Group continued developing its “Zero is Possible” project, which is based on giving training courses on occupational risk prevention through “behavioural workshops”. Taking part in this project were members of the lines of command (such as Facility managers), staff from the Prevention, Environment and Industrial Safety Sub-Department including technical staff from the Prevention Service. These courses were carried out at the facilities and also head office.
- The IT-8852 Technical Safety Instruction, on lock-out and signposting of potentially energizable equipment and circuits, has been published to offer the group's employees a procedure for better protection against

an unexpected release of energy or equipment start-up, caused by both the company's employees and workers from contracting companies, while servicing and maintenance operations are being carried out or in the case of vehicles that have broken down and are out of service.

- A leaflet called “Blocking and signposting of machines and circuits” has been published.
- The PS-8870 Safety Procedure, Communication, Analysis and Investigation of Accidents and Incidents, has been updated to include quasi accidents according to Form 8871, “incident (almost accident) report”.
- It is also important to note the actions related to pandemic influenza A (H1N1) carried out by the CLH Medical Service. “Prevention, the best vaccine against influenza A” posters were issued. Updated information was disseminated, as was a protocol for courses of action to reduce the possibility of catching this virus. Other noteworthy actions include the drawing up and implementation of a plan of action regarding pandemics.
- A number of dissemination actions have been carried out through “Acerca”, the CLH internal magazine, the most important of which were: articles about entering confined spaces, the specific prevention notice boards (accentuating the safety contacts for the risk of being cut and maimed by circular saws, working with DDS (data display screens), what to do if a worker has

You can consult the integrated safety principles of the CLH Group on:

www.clh.es

Talks followed by debates were organized at the "Internal communication meetings" under the heading of "Towards a new safety culture" and "Guide to visible commitment by the safety leader in the CLH Group"

fallen into a trench, the office job atmosphere, etc.), the corporate intranet and the training department, and the creation of the suggestions system through the corporate portal "Aporta" (Make your contribution).

- At the "Internal communication meetings" held with company management, talks followed by debates were organized under the heading of "Towards a new safety culture" and "Guide to visible commitment by the safety leader in the CLH Group".
- Work continued on the monitoring of accidents at the facilities, with a letter of congratulation being sent to all facilities that have been accident-free.

The CLH Group also has basic emergency plans whose purpose is to safeguard the safety and health of people and identify the risk situations that can occur at the facilities.

If any incident should occur, the emergency plans make it possible to organize the action of the human resources and available material resources for dealing with it. It also establishes the internal and external communication channels for reporting the incident and, if necessary, requesting help.

The company contemplates different kinds of emergency plans depending on the facility each one is designed for. There are plans for storage facilities, airport facilities, the pipeline network and tank truck road accidents, not forgetting the plan for evacuation of its head office. A marine contingency plan has also been developed for action to be taken at seaport terminals if necessary.

Employee representation in the risk prevention systems is organized through the prevention delegates that are present at all work centres where there are more than six employees. In addition, there is a Local Health and Safety Committee at all centres where there are more than 50 workers, with peer representation. The Joint Committee for Health and Safety (CISS) is the peer representation body, at company level, for CLH and CLH Aviación.

The CLH Group management and the members of the company's Joint Committee for Health and Safety signed the CLH Group's "Zero is Possible" commitment to safety in 2008 with the aim of strengthening occupational health and safety culture.

Training in occupational health and safety

The CLH Medical Service carried out two occupational health campaigns that were published on the corporate portal:

- Screening for colorectal cancer, with the aim of making an early diagnosis of this type of malignancy which is the second most common in our country.
- Visual function campaign for those working at Head Office, to look for pathologies such as glaucoma, macular degeneration, etc.

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

- Educating for health. All issues of the internal magazine “Acerca”, which is sent to the home of all employees to be shared with their families, include an article called “Take note” that discusses habits for a healthy lifestyle and the prevention of serious illnesses, and another called “It’s worth your while” which is about risk prevention.
- 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.
- There is a medical service at head office in Madrid and at the Barcelona storage facility.

CLH Group Training in safety

	2007	2008	2009
Training in safety (hours)	8,907	12,859	12,033
Number of people attending	1,613	1,915	1,761
Training in defence against fire (hours)	3,669	2,842	3,193
Number of people attending	263	203	229
Training in first aid (hours)	224	412	110
Number of people attending	56	104	33
Training in prevention (basic level) (hours)	8,224	16,460	11,358
Number of people attending	956	1,022	690
– Training in ORP Master's degree (hours)	–	–	5,230
– Number of people attending	–	–	11
Investment (thousands of euros)	358.4	350.5	357.7

practical case

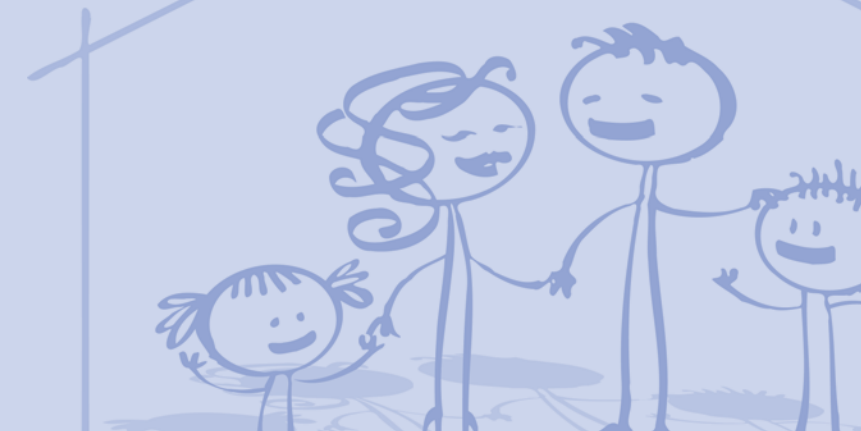
Kindergarten ticket vouchers: Moving towards reconciling working and family life through flexi salary

The Kindergarten Ticket Voucher project started up in May 2009 to enable the employees with children between the ages of 0 and 3 years to have the possibility of accessing flexi salary and obtaining tax benefits.

The main aims of the project focus on achieving a greater degree of satisfaction for the people who form the CLH Group and on continuing to move forward to consolidate the recognition awarded to the CLH Group in 2008 as a Family-Responsible Company.

This project was made generally known through the corporate portal and through a personal letter addressed to all employees who qualified for this benefit. The main advantage of the “Kindergarten Ticket Voucher” for the employee is personal income tax exemption on the amount devoted to paying for children’s day care (with a limit of 30% of the employee’s annual gross salary).

In May 2009, 40 employees from CLH and 26 from CLH Aviación were able to gain access to this benefit. They were young employees with kindergarten-age children, and at the present time 38 employees have signed a contract accepting the offer of the benefit. The progressive reduction in the average age of CLH Group staff in these and future years will cause these figures to increase.



Environmental management, climate change and protection of biodiversity

Challenges for 2009	Degree of compliance	2009 Milestones	Challenges 2010
EMAS Declaration at 5 of the Group's facilities.	Low	Launching of the "CLH Recycles" campaign with the aim of continuous improvement in the responsible use of resources.	To present the EMAS-III Declaration of 4 storage facilities and two airports to the administrations.
Minimization of consumption of resources in the CLH Group.	Medium	The first audit for follow-up of ISO 14001 Certification is successfully passed.	Application and extension of the "1,000 Trees for 2009" campaign with 1,000 more for 2010, as an element for reducing the Group's CO ₂ emissions.
CO ₂ Action Programme.	Low	Start of the CO ₂ Action Programme, with the "1,000 trees for 2009" campaign.	To improve lighting efficiency in the storage facilities.
Start of restoration work on the land formerly occupied by the storage facility in Santurce.	High	Adaptation of the logistics network for the introduction of biofuels.	To reduce electricity consumption in the pumping equipment. Use of paper obtained from wood from sustainably managed forests.

Our approach

The CLH Group assumes the commitment to be close to the concerns of society and be recognized as a company committed to the environment, with a proactive attitude in eliminating or reducing the impact caused by its activity. To achieve this, the company is constantly searching for formulas that bring savings in the use of natural resources and minimize its emissions, and it endeavours to use the resources, technologies and processes that are most environmentally and socially friendly.

The CLH Group Environmental Management System makes it possible for the company's activities to be managed in an efficient and environmentally-friendly way

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.

The company has an environmental policy that includes a series of manuals and procedures whose mission is to control all aspects of its industrial activity and contribute towards achieving a top level proactive culture for protection of the environment.

The CLH Group applies its environmental policy right from the outset of any project, through the Environmental Impact Studies, which influence the entire development and decision-making process with the aim of correcting or reducing possible future environmental impacts. In this respect, the CLH Group studies all the routes, locations and possible alternatives before starting a new project and selects the one with the least impact.

This work not only includes the preliminary study before starting to build, but also provides for full monitoring during execution. This allows the use of corrective measures for managing to minimize their impact. In the case of pipeline building works, when they have been completed the land is restored to its original state, and the affected area is replanted with vegetable cover. Besides this, controls are carried out subsequently in order to check and guarantee that the measures adopted are working properly.

The CLH Group environmental management policy

As part of its sustainable development strategy, the CLH Group has environmental criteria at the forefront in all its activities and during their entire life cycle with the aim of preventing damage to people and property, and minimizing environmental impact and the effects of climate change, by respecting biodiversity and the social setting.

This is reflected in the 11 principles that form its environmental management policy. These principles have been included in the CLH Group Environmental Management System since 2006.

The Environmental Management System establishes the CLH Group Environmental Management Policy and the rules and procedures that implement it and guarantee its fulfilment, all of which is in accordance with current legislation, the company's corporate aims and its environmental commitment.

In order to put these principles into practice effectively, in July 2008 the CLH Group obtained certification in the ISO 14001 standard for its Environmental Management System. The aim of this system is to manage the company's activities in the most efficient and environmentally friendly way. The first follow-up audit was carried out in 2009 and the certificate was renewed.

You can consult the CLH Group environmental policy on:

www.clh.es

Also in 2009, the CLH Group completed work for obtaining the environmental authorizations and permits for its facilities in the Autonomous Region of Catalonia in accordance with environmental legislation.

On the other hand, the company has carried out different projects of environmental interest, one of the most important being the adaptation of several storage facilities for introducing the blending of gasoline with bioethanol into the national logistics system, with an investment of 2.7 million euros in 2009.

Over five million euros were also invested in the environmental and landscape restoration of the land formerly occupied by the Somorrostro facility in Vizcaya, and over two million euros were spent on the environmental recovery of the land formerly occupied by the facility in Santurce.

Environmental costs and investments

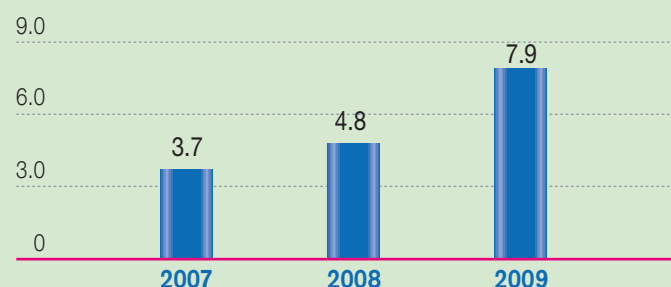
During 2009, the CLH Group invested 7.9 million euros in various environmental projects, which represents an increase of 64.58% in respect of 2008. Investments regarding environmental items were mainly spent on the following:

- Replacement of buried pipes with others above the ground.
- New closed circuit tank purging systems.
- Adaptation of sites for the temporary storage of waste.
- Introduction of bioethanol into the logistics system.

On the other hand, the current expenditure defrayed by the CLH Group in 2009 on activities for the remediation of underground water and soils amounted to 3.3 million euros.

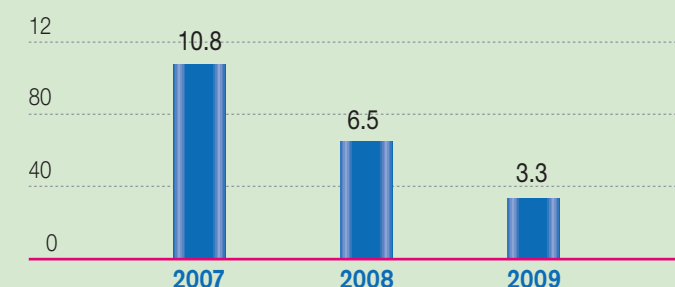
CLH Group Evolution of environmental investments

Millions of euros



CLH Group expenditure on remediation of underground water and soils

Millions of euros



Environmental Indicators

Direct energy consumption

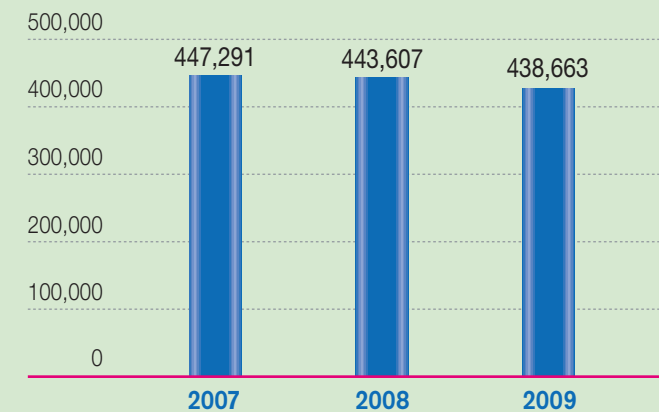
Direct consumption of energy during 2009, resulting from transportation activities and heating steam boilers, amounted to 438,663 gigajoules, which represents a reduction of 1% in respect of 2008.

The saving in energy consumption is due to the following initiatives:

- Renewal of the vehicle fleet with other new, lower consumption vehicles and also a reduction in transportation and fuel oil delivery activities.
- Different types of operation depending on the refinery delivery plans and imports.
- Improvement in the measurement of pipeline pump consumption: Completion of installation of private electricity meters in each of the pipeline pumps, integrating information in the PLC and Scada. This means that the dispatching operator is able to find out the cost of the operations he is carrying out, besides making it possible for a subsequent analysis of the pumping modes to be made with real data.
- Improvement in pipeline pumping planning: Energy efficiency criteria are followed in order to minimize electricity consumption in all pipeline pumping planning. An effort is made to keep consumption stable (most efficient option from the energy viewpoint) and additive (flow enhancer, that minimizes product friction against the pipe) is injected at the most suitable points along the route.

CLH Group direct consumption of energy

Gigajoules/year



- Completion and use of the frequency changers in the pipeline pumping sets which optimize electricity consumption both in terms of operation in continuous cycles and in start-up operations.

Lastly, solar energy is used for supplying line valves in the pipeline. This has been done by introducing the necessary equipment for supplying six line valves with solar energy in the pipeline layout route. This is the first step for studying the feasibility of supplying power to the Group's facilities by means of renewable energies.

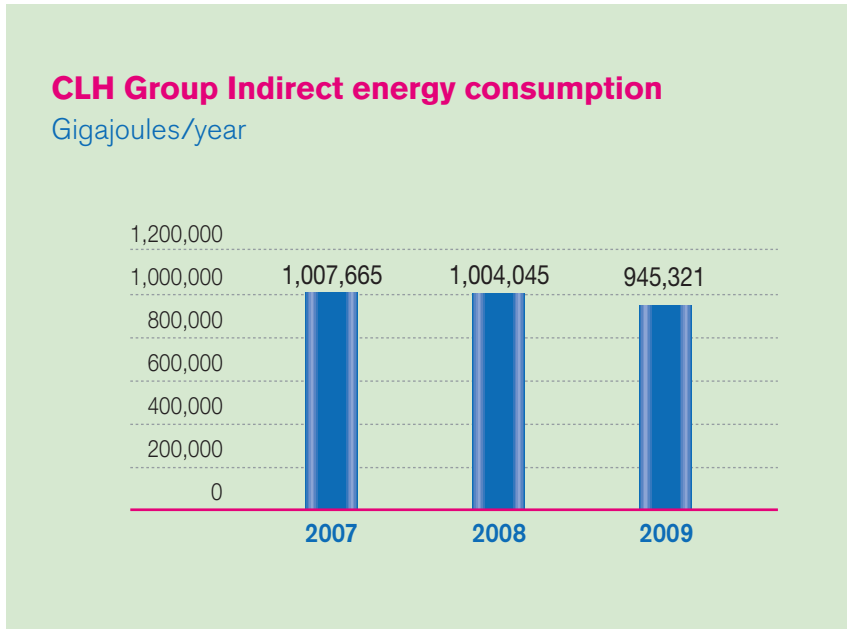
CLH Group Water consumption

	2007	2008	2009
Total water consumed (m ³)	42,984	49,356	191,095

* 67% of water consumption corresponds to the steam boilers of the storage facilities of Gijon, Algeciras, Huelva, Cartagena and Barcelona.

Indirect energy consumption

The company's indirect energy consumption* during 2009 amounted to 945,321 gigajoules, representing a reduction of 6% in respect of 2008.



Water consumption

The company uses water in its operations for sanitary purposes, for generating steam and in testing fire-fighting systems. Water consumption in 2009 amounted to 191,095 m³. The increase in this indicator is due to the fact that the measurement system was improved and the number of documented facilities increased during 2009.

*These consumptions refer to the purchase of energy in the electricity market .

On the other hand, the CLH Group only carries out underground water collection at the facilities that fall outside the area covered by municipal water supply networks.

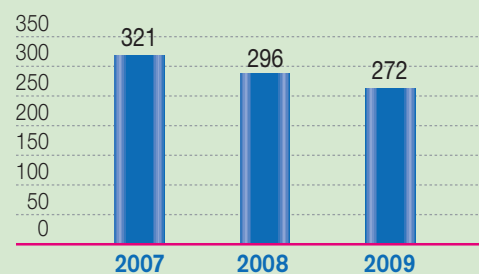
Emissions into the atmosphere

The emissions into the atmosphere that are generated by the CLH Group are extremely limited, as it does not carry out any manufacturing or energy generation processes.

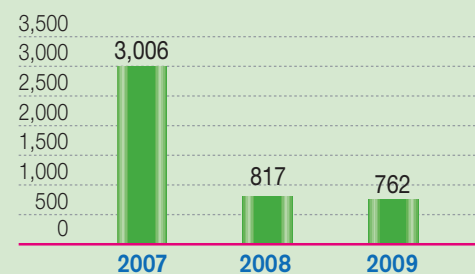
There was a reduction in the company's emissions of SO_x, NO_x and volatile organic compound during 2009.

The main cause of emissions of SO_x, NO_x, CO₂, CH₄ and particles in suspension is internal combustion engines, both stationary and in the vehicle fleet. The emissions arising from fuel consumption in the tankers that are chartered by the company, and the steam boilers used for heating the heavy fuel oil stored at the Barcelona, Cartagena, Huelva, Algeciras and Gijón facilities, are also considered.

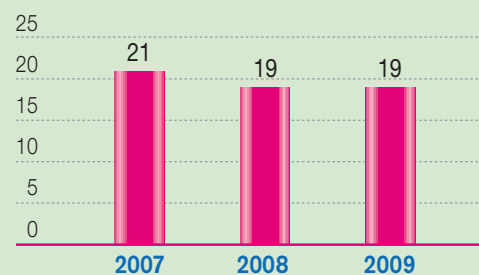
SO_x emission
Tons



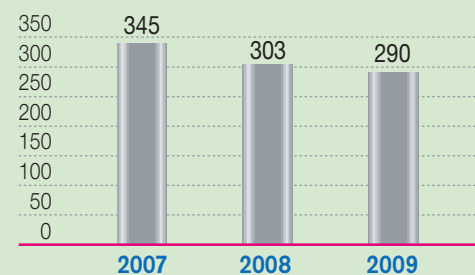
Volatile organic compound emission
Tons



Emission in particles
Tons



NO_x emission
Tons



All these reductions were the consequence of:

- The installation of internal floating screens in the gasoline storage tanks. These are in permanent contact with the surface of the liquid, which avoids its evaporation.
- The existence of modern technology vapour recovery units in the facilities' loading platforms, both for treating the vapours generated when loading gasolines into the tank trucks and for collecting them when the cargo is discharged at the service stations.
- Renewal of the vehicle fleet with new, lower consumption vehicles and also a reduction in transportation and fuel delivery activities.

Waste management

The CLH Group produces very limited quantities of dangerous waste because it does not carry out any manufacturing or materials transformation processes. The waste that is produced is basically the result of periodic cleaning of the storage tanks and the hydrocarbon-polluted water treatment systems.

Each facility and work centre 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.

Besides documenting each type of waste that is delivered to an authorized manager, the facilities submit an Annual Dangerous Waste Producer Statement to the Environment Board of the appropriate autonomous region. This statement specifies, as a minimum requirement, the amount of dangerous waste produced, its nature, the final destination and the name of the authorized manager.

In 2009, the CLH Group managed 3,682 tons of dangerous waste and 283 tons of non-dangerous waste, which makes a total of 3,965 tons of waste.

CLH Group Waste Management

Tons



The CLH Group incorporates the most advanced additives for pipeline transportation which increases the transportation capacity by up to 150%

Dumping management

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 specifications.

Besides this, the new closed circuit purge systems that have been installed considerably minimize the pollutant load that is sent to the treatment systems.

On the other hand, sewage is treated appropriately in order to comply at all times with the parameters stated in the Dumping Permit held by each facility.

Most of the waste water that comes from the CLH Group facilities goes to the sewers in municipal drainage networks. In cases where there is no municipal network for it to go, the competent administration is asked for a dumping permit. 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 the water is acceptable for the ecosystems in

the area, the administration grants CLH the appropriate dumping permit, 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.

Climate change

The CLH Group has a commitment to making a continuous effort to reduce greenhouse gas emissions. The company's main greenhouse gas emissions refer to CO₂, NO_x and CH₄, which are caused by the combustion of fossil fuels in the different internal combustion engines. Each year, the use of the company's pipeline network for transporting fuel avoids 400,000 tons of CO₂ being released into the atmosphere, these emissions being the equivalent of such transport being carried out with the use of tank trucks.

In order to improve energy efficiency in its transportation activities using the pipeline, the CLH Group incorporates the most advanced pipeline transportation additives that reduce friction, thereby increasing the pipeline's transportation capacity by up to 150%. Because of

this, less power is used in pumping the products, with the resulting reduction in greenhouse gas emissions.

The CLH Group CO₂ emissions during 2009 totalled 31,015 tons, which is 1.38% less than in 2008. Fluctuations in CO₂ emissions are essentially due to variations in annual product deliveries and the different types of operation according to refinery and import delivery plans.

On the other hand, 2009 saw a continuation of the investment process for adapting the logistics and operational network of the company for the storage and distribution of biofuels in accordance with the aims

provided for in the National Renewable Energies Plan drawn up by the Government.

The CLH Group has carried out an analysis in order to identify the risks and opportunities arising from climate change:

Risks

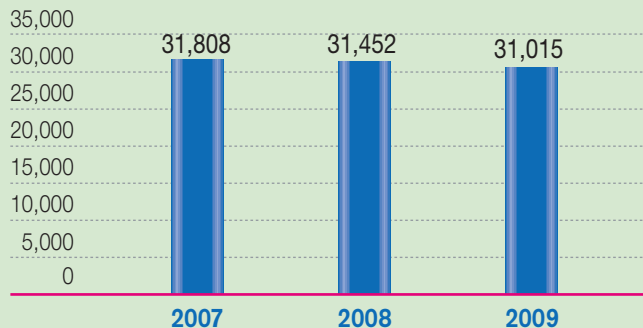
- Restrictions on the use of petroleum-based fuels are likely to bring with them an increase in the use of biofuels, and so the CLH Group must invest heavily in adapting its facilities to these new products.
- The significant increase in temperature could give rise to a decrease in the consumption of heating oil with the resulting reduction in activity.
- The gradual inclusion of other energies for transport, such as hydrogen, natural gas, batteries and solar energy may give rise to reduced consumption of oil products.

Opportunities

- The use of biofuels is generating a demand for facilities in which to store them. This may mean a business opportunity for CLH.
- The creation of new biofuel blending services makes the offer of services provided by CLH an attractive one, thereby encouraging agreement between biodiesel producers and petroleum operators.

CLH Group CO₂ Emissions

Tons



*Note:
The CLH 2008 Environmental Parameters Guide, which is based on the EMEP/CORINAIR Atmospheric Emission Inventory Guidebook, 2nd edition, September 1999, published by the European Environment Agency, was used for quantifying the direct emissions caused by the company.*

Protection of soils and underground water

The protection of soils and underground water at the CLH Group facilities is one of the top corporate priorities. The main systems for preventing the contamination of

soils arising from the activities that are characteristic of CLH are:

Systems for preventing soil contamination

1. Control systems for tank filling in order to prevent accidental overfills.
2. Performance of regular checks on the tightness of buried tanks and the bottoms of ground level tanks in order to guard against and detect possible leaks in plenty of time.
3. Waterproofing of areas where accidental spills are likely to occur (area inside the spill wall and pump rooms).
4. Computer system for control of pipeline leaks.
5. High density polythene sheets are installed on the base and beneath the bottom of all newly built ground level tanks, in order to seal off and protect the soil against possible breakage of the tank and immediately detect possible leaks, using the configuration of an efficient, modern leak detection system in the tank bottoms.
6. All buried tanks that are installed have double walls.
7. There is a piezometric control network for controlling and monitoring underground water at all storage facilities.

The CLH Group started up its "1,000 trees" campaign during 2009

The CLH Group also carries out an exhaustive control of any product spill and is ready for taking clean-up action if there has been any infiltration of the subsoil.

On the other hand, since 2003 the company has been developing a research plan designed to provide detailed information about the environmental situation of the land occupied by each of its facilities

This plan has resulted in the CLH Group carrying out environmental recovery projects, whenever necessary, on land where it has carried out activities or that may have been affected by spills.

- **Somorrostro** (Vizcaya): Recovery work has been completed and approved by the Basque Government's Environment Authority. Landscape recovery is currently under way on the land in accordance with the project that was approved by the Costs Department.
- **Santurce** (Vizcaya): Currently under way, under the supervision of the Basque Country's Environment Authority.
- **León**: Work is expected to start during 2010 using new soil remediation techniques.
- **Mahón** (Menorca): Work is expected to begin during 2010.

Management of biodiversity

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

During 2009, the Statements of Environmental Impact for the following projects were published:

- Expansion of capacity at the storage facility in Loeches.
- New storage facility in Burgos.
- New storage facility in Castellanos de Moriscos (Salamanca).

In addition, the following Environmental Impact Studies are being processed:

- Expansion of capacity at the storage facility in Almodóvar (Ciudad Real).
- Puertollano–Loeches pipeline section.
- Torrejón–Barajas pipeline section.

During 2009 the CLH Group started implementing the "1,000 Trees Campaign", which has been carried out at the company's facilities. The project provides for the planting of native trees according to the location of each facility. The selection of each species was made

in accordance with the weather conditions in the area. Besides this, the project has also included the creation of green "screens" in Motril, León and Ibiza in order to temper the visual impact of the facilities located there.

Sensitive environmental areas are defined in the chapter entitled "Plan for Identifying High Consequence Areas (HCA)" of the Pipeline Integrity Plan. The CLH Group uses specific risk analysis software for this in order to determine the affected area that is associated with possible spills. The types of HCA impact and the assessments to be performed are as follows:

- **Identification of Direct Impact Areas:** Segments of the pipeline that are physically located inside an HCA.
- **Identification of Indirect Impact Areas:** A boundary analysis is carried out using information about the pipeline flow, valve closing times, spacing between valves and elevation profiles, in order to calculate the maximum volume of spill that could be generated. The variable volume (dispersion distance) is used to identify the proximity of an HCA along the length of the pipeline. Proximity is based on the maximum volume that can potentially be spilled at a given point as a result of an accident. All pipeline segments that are included in an HCA have an area of direct impact and

another of indirect impact according to the stipulations of the boundary analysis, and the coordinates of these indirect impact points must therefore be taken into account and included in the databases.

- **Analysis of Transport:** The pipeline segments are assessed in order to determine whether the contents of breakage might possibly migrate towards an HCA. Specific considerations are made for the two existing transport mechanisms, by land or water. The three specific transport analyses include: Analysis of the terrain, direct hydrographical basin analysis and indirect hydrographical basin analysis.

Impacts arising from product transportation

Reason for spills	2007		2008		2009	
	No	Litres	No	Litres	No	Litres
Breakages of pipeline lines by third parties	3	319,122	10	677,836	1	50,000
Spills through overfill at loading platforms	41	15,588	28	17,697	10	3,051
Other spills	39	170,421	80	338,420	57	476,592

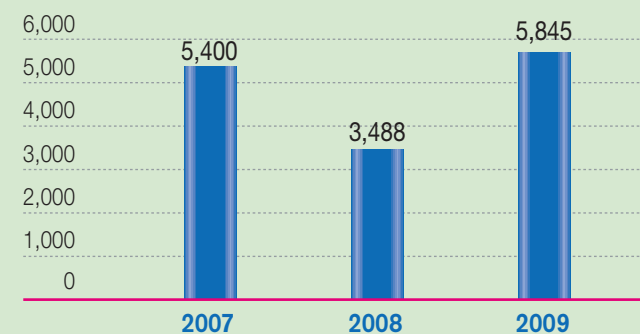
At the present time, the CLH facilities are mainly supplied through the oil pipeline network, which is the safest and most environmentally-friendly means of transport, which has made it possible for CO₂ emissions to be reduced considerably since the use of other alternative means of transport is minimized.

The CLH Group adheres to the policy of reporting all spills. When an accidental spill occurs, the company immediately activates the measures necessary for reducing the effects it might have on the environment, studying the type of terrain and its characteristics and establishing the most suitable system for clean-up and recovery, so that it can be returned to its original state in the shortest possible time. Only three spills caused impact on the environment during 2009 and are currently undergoing remediation.

CO₂ emissions caused by CLH Group road transport operations in 2009 amounted to 5,845 tons. The increase of this indicator is due to the fact that, within the company's commitment to improve the information provided, during 2009 it was possible to include the emissions generated by the company's light vehicles.

CLH Group CO₂ emissions in transport by road

Tons





practical case

Landscape restoration of the Somorrostro storage facility in Vizcaya

The former storage facility in Somorrostro (Vizcaya) was dismantled in 2008. After its dismantlement, a detailed characterization of the soil and underground water was carried out and certain areas of the plot were found to be affected by hydrocarbons. The pertinent quantitative risk analysis was carried out in accordance with current regulations. Both reports were sent to the Basque Government's Environment Authority for assessment.

The remediation project was approved by the Environment Authority in May 2008, and consisted of two clearly defined phases:

- **Phase 1. Decontamination of soils and underground water on the plot.**
- **Phase 2. Landscape restoration of the area.**

Phase 2 "Landscape restoration of the area" was carried out during 2009 in accordance with the project authorized by the Regional Ministry of the Environment. The work consisted of restoring the area to its original state by re-creating three different spaces: **A space with dunes, an area of mud flats and a gently undulating area separating the pre-existing road from the mud flats**, which will encourage birds to nest there, besides re-creating the native plant cover in each area.

A responsible company

Challenges for 2009	Degree of compliance	2009 Milestones	Challenges 2010
Development of the Plan for Relations with Local Communities.	High	Start-up of the Plan for Relations with Local Communities.	To continue with development of the Plan for Relations with Local Communities.
Consolidation of the "Together, we move our most valued energy" programme.	High	Collaboration with 12 organizations through the "Together, we move our most valued energy" project.	"Together, we move our most valued energy" project.
Development of the plan for improving the telephone enquiry service.	High	Development and implementation of the plan for improving the telephone enquiry service.	

Our approach

The CLH Group keeps up free-flowing relations in the communities in which it operates through solidarity initiatives in which company employees participate, and various projects for collaboration in the spheres of society and the environment.

Managing relations with the community

The CLH Group harmonizes the performance of its activities with the establishment of effective communication with its environment in order to:

- Detect the concerns of its interest groups and establish the most suitable actions for providing an answer to them.
- To make it easier for more to be known about the company.

Therefore, before any project is executed, the company opens a consultation period with the local communities that are possibly going to be affected, in order to find out their opinions, expectations and needs, always being receptive to suggestions for change or improvement.

Another of the CLH Group priorities is to carry out its activity with the least possible impact on the environment and in some cases transfers its facilities in order to improve the situation of their respective settings.

In this respect, a new product storage and distribution centre was opened in Mahón (Menorca) at the end of 2009. This new centre has been built near the island's airport and has made it possible for the CLH facility located in Cala Figuera, which had been in operation since 1956 and supplied fuels to Menorca, to be replaced.

The company plans to undertake similar action at the plants in Burgos and Salamanca, and at the airport facility in Barajas, whose transfers will become a reality in the next few years.

Minimizing the impact of the pipelines

The CLH Group keeps up a flexible relationship with the authorities, the local institutions and the owners of the land through which the pipeline route runs, with the aim of being able to count on their cooperation for maintaining the safety of these pipelines.

The company has also published explanatory leaflets that include the precautions that should be adopted in the vicinity of these infrastructures, particularly when external action or work is carried out in their surrounding area, providing the CLH Group contact telephone number in case it should be necessary for the company to intervene.

The company also has a "Pipeline Integrity Plan". This plan provides for a sophisticated control system, from the operational and safety viewpoint, that is connected via satellite and permits efficient, safe and environmentally-friendly management. Besides this, the CLH Group keeps a regular close watch on all its lines using aircraft, foot patrols and vehicles.

Guaranteeing supply to society

Since the Strategic Plan 2007-2011 started, the Group has invested around 450 million euros, which has made it possible to carry out a large part of the forecast logistics infrastructures.

In this respect, during 2009 the company placed in service over 400,000 cubic metres of new storage capacity at the facilities in Navarra, Son Banya (Palma, Mallorca), Castellón, Lleida and Málaga.

Also this year, the building work was completed on a new storage and distribution centre in Mahón (Menorca), which quadruples the capacity of the old facility, and the expansion of the facility in Albuixech (Valencia) was inaugurated, the eight new tanks coming into service and making it one of the largest in Spain.

Contribution to the Spanish Government's Renewable Energies Plan

The CLH Group has storage facilities adapted for storing and distributing biodiesel. Besides this, and with the aim of developing a more sustainable energy model and contributing to the Renewable Energies Plan drawn up by the Government, the company is introducing bioethanol into its logistics system and has started adapting several storage facilities in the main areas of consumption in order to be able to store and distribute this product.

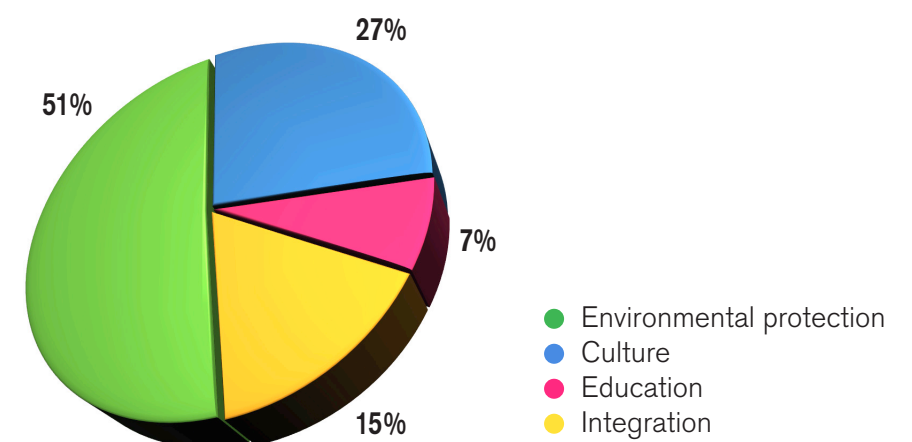
The CLH Group is introducing bioethanol into its logistics system in order to contribute to the National Renewable Energies Plan drawn up by the government

Social action in the CLH Group

The CLH Group participates in a number of projects related to protection of the environment, education and social integration through associations and non-governmental organizations in which the company's employees collaborate, as can be seen in its project called "Together, we move our most valued energy".

During 2009, 51% of the company's social action budget was devoted to activities informing about the importance of protecting the environment, 27% to cultural patronage, 15% to integration work and 7% to education.

CLH Group distribution of expenditure on social action 2009



Collaboration with educational and cultural institutions

In the educational and training field, in 2009 the CLH Group participated in the first edition of the “Recruiting Erasmus” programme which is a pioneer project supported by the Ministry of Science and Innovation and the CEURI (Spanish Universities Committee on International Relations), which has allowed 15 students who have followed an international study programme to carry out practical training in the company during their final year at university.

The organization has also signed an agreement with the Regional Ministry of Education of the Autonomous Regional Government of La Rioja and with vocational training centres in the whole of Spain, so that their students can carry out practical training at the Group’s work centres. In addition to this, throughout the year visits have been made to various storage facilities by students from university schools of engineering and other teaching centres, such as the Autonomous University of Madrid and the IE Business School, which have allowed them to complete their training and perfect their knowledge of oil product logistics.

The CLH Group also sponsors the CLH Chair in Hydrocarbon Metrology at the Polytechnic University of Madrid’s School of Mining Engineering, whose aim is to promote teaching in what is known of hydrocarbon

metrology and to develop the research activities that allow progress to be made in this field. This Chair includes the award of scholarships for carrying out final year projects and the possibility of practical training in CLH for selected students.

The company has also collaborated in sponsoring the “Development of Electronic Products” vocational training module at the “Juan de la Cierva” secondary education institute in Madrid, where the students have to develop robots as part of their final year practical training.

In the field of culture, the CLH Group collaborates as benefactor and protector member in various cultural associations such as the Teatro Real Foundation, the Friends of the Prado Museum Foundation, the Royal Association of Friends of the Reina Sofía National Museum and Art Centre or the Spanish Royal Academy of Engineering’s “Pro Rebus Academiae” Foundation, and also collaborated in the 10th Literary Contest which was organized by the Alcázar de San Juan Cultural Association in the province of Ciudad Real.

Besides this, the company has published a new book dedicated to Spanish landscapes with the aim of disseminating the environmental wealth of our country. With the title “The Liquid Network”, this book takes the reader on a journey along the main rivers, wetlands and aquifers to be found in Spanish geography.

Conservation of the Historical Archive of Hydrocarbons

The CLH Group has moved forward in the project for recovery of the Historical Archive of Hydrocarbons as a result of the collaboration agreement signed with the CNE (National Energy Commission) for preserving the Historical Archive of Hydrocarbons, in order to improve public knowledge of what is generally known about the Spanish oil sector and its historical evolution.

In this respect, the company is in charge of compiling, arranging and processing all the documentation it has preserved over the last 80 years, as continuer of the activity that was started by Compañía Arrendataria del Monopolio de Petróleos (Camps) in 1927 to create an archive that would make it possible to disseminate the history and evolution of the Spanish oil sector among the general public.

“Together, we move our most valued energy” project

Three years ago the CLH Group started up an ambitious sponsorship and social action project called “Together, we move our most valued energy” with the aim of promoting the active participation of its employees in non-governmental associations and organizations.

Through this initiative, the CLH Group has wished to demonstrate its commitment and responsibility towards society by promoting values of community living, equality,

tolerance and respect for the environment. The plan mainly covers projects that are promoted and presented by the employees either on an individual or group basis.

Any employee wishing to take part in this initiative can present a project for social action or voluntary work in which he or she is collaborating, preferably related to the priority action areas that have been established:

- Conservation of the environment.
- Education for community living.
- Helping people with disabilities.

There is the possibility of participating in these initiatives together with other colleagues through collaboration in a charity organization or association. A few examples of this kind of action are:

- Organizing activities such as outings or cultural visits with handicapped people.
- Free training sessions for groups of children with limited resources.
- Environmental conservation projects such as cleaning up woods or forests or replanting trees.

All projects submitted must be specific voluntary actions that have a clearly delimited duration, specifying the aims, beneficiaries, communication plan and budget. Fund-raising events are excluded. When the project has been submitted, it is studied by a Selection Committee made up of representatives from different areas of the



The project known as “Together, we move our most valued energy” promotes the active participation of the company’s employees in non-governmental associations and organizations



company, the projects mainly being assessed according to the relation they bear to priority action areas, the presence of the CLH Group in the area of action, and the interest the project has for the community.

Within this project, the CLH Group has collaborated with various associations or organizations during 2009, the most noteworthy being:

- **Afanias Foundation:** An organization dedicated to improving the quality of life for people with an intellectual handicap. Help was given by the CLH Group for carrying out the technical adaptations necessary to make it easier for people with mobility problems to access the swimming-pool at one of its centres in Madrid. (www.afanias.org)
- **Delwende:** An organization for development that carries out its social work all over the world, attempting to improve the living conditions of underprivileged social groups, particularly women, children and old people. The company participated in the “Women and life” project through which young people in a social exclusion situation are looked after in refuges that are provided for them. (www.delwende.org)
- **Madre Coraje:** An institution that promotes the development of less favoured communities, encouraging a culture of solidarity through projects for sustainable development, recycling and education. (www.madrecoraje.org)
- **Ainper:** A non-profit association that works in Linares and its surrounding area for enhancing the quality of life of handicapped people and their families. The CLH Group collaborated in the “Educating for life” programme that plans different courses of action for improving intellectual stimulation in people with mental disabilities. (www.ainper-linares.org)
- **Solidarity International:** An NGO whose main work is dedicated to helping the less fortunate populations in South America through carrying out projects on cooperation for development and humanitarian action, besides activities for promoting fair trading. (www.solidaridad.org)
- **Prodis Foundation:** An institution that lends its support to children with Down’s Syndrome and designs educational programmes adapted to their needs to help them achieve maximum independence as regards their parents or tutors. This year the company collaborated in a project for aquatic exercise therapy, also known as hydrokinestherapy. (www.fundacionprodis.org)
- **Sahara Development Association:** An organization whose aim is to carry out projects and programmes that make it possible to improve the living conditions of the Saharan people and in which CLH collaborated in helping several children from Western Sahara to be taken in by families in the city of León.



- **Torrejón de Ardoz Fibromyalgia Association:** An institution that works to support, promote and disseminate everything related to this illness and its treatment, both as regards scientific research and carrying out social projects that help improve the quality of life of people suffering from this pathology.

The CLH Group also collaborates with various associations such as Cáritas Diocesana, a church charity, the Spanish Red Cross and the Spanish Cancer Association. The company also took part in the 2nd Inter-company Football Competition that was organized by the Action Against Hunger NGO for solidarity purposes. The money that was raised through the registration fee paid by the participating companies was devoted to charity activities, such as carrying out nutritional recovery projects for children under the age of five in the 45+ countries in which this association works.

Plan for Relations with Local Communities

With a view to improving what is known about the company in its local setting and being closer to the needs of the towns where it is present, the CLH Group has started up several projects in order to get to know how society views its activity. This has been done by carrying out studies and surveys aimed at institutions, associations and other interest groups.

The aim of the Plan for Relations with Local Communities is to learn about the concerns and expectations that the company generates in its local interest groups and in the immediate vicinity of its facilities, besides intensifying and systematizing relations with institutions, corporations or residents' associations, among others, in the towns where it has facilities and infrastructures.

Seven training courses were held throughout 2009 for facility managers and other company officers and two communication manuals were drawn up, one for CLH and another for CLH Aviación, containing advice and instructions for helping to streamline the setting up of relations and contacts, and transmission of information.

Besides this, a common database is being set up for the entire company so that everyone in a position of responsibility can share all available information and be able to provide the different kinds of public with answers in a more effective way.



practical case

Plan for Relations with Local Communities: publication of information leaflets

Over the course of 2009 the CLH Group brought out a series of publications aiming at boosting transparency and establishing free-flowing communications with its interest groups, along the lines laid down by the Plan for Local Communities that was set in motion in 2008.

This is a set of leaflets and triptychs containing information about the different activities of the company with safety instructions for both visitors and staff from outside companies.

These leaflets were published in Spanish and in English and are written in simple language that is easy for everyone to understand, and this helps to improve what the various interest groups know about the company. This material is used during the visits made to the company's facilities by representatives from different sectors and is also disseminated among institutions and administrations.

These are some of the leaflets that have been published:

- **“Hydrocarbon storage facilities”**, gives details of the characteristics and operation of the Group's storage and distribution plants, and also highlights the measures and equipment introduced at all centres for guaranteeing safety and respect for the environment.
- **“Pipeline Dispatching Centre”**, offers information about the management and control work carried out at this centre regarding the company's pipeline network, and also the safety systems and the duties performed by the people who work at this installation.

- **“CLH Central Laboratory”**, explains the quality controls for fuels and the other analyses carried out at this centre, besides the quality certificates it holds and the collaborative work carried out in the educational and scientific field.
- **“Emergency stocks storage services for Europe”**, contains detailed information about the company’s activity and its integrated logistics infrastructures system, highlighting the strategic reserve storage service that CLH provides both for the operators and, mainly, for CORES, the Spanish Strategic Oil Product Reserves Corporation, and central institutions in other countries, so that the minimum fuel stocks required by law can be maintained.

The company has also published another set of leaflets that, together with the basic information about the CLH Group, also include practical safety instructions for helping to prevent any incident:

- **“Safety in the area around the hydrant networks”** includes a set of safety regulations that must be complied with compulsorily in the vicinity of the hydrant networks, particularly when any building work is carried out, and it explains the activities of the subsidiary “CLH Aviación”.
- **“Safety in the area around the pipelines”**, with a similar outline as the above leaflet, informs about the precautions that must be taken when any external action is carried out close to a pipeline.

Both leaflets explain how to identify each of these infrastructures and provide the contact telephone numbers of the CLH Group, in case it should be necessary for the company to intervene.





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 2009 (hereinafter “the Report”).

CLH management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Guidelines version 3.0 (G3) of the Global Reporting Initiative as described in the chapter entitled About this report. 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 an independent report based on the work performed, which refers exclusively to the information corresponding to the year 2009. Data corresponding to previous years have not been the object of review. 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. This standard requires 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 Federation of 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 the Torrejon Storage 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.
- Verifying that the financial information reflected in the Report was taken from the annual accounts of CLH, which were audited by independent third parties.

KPMG Asesores, S.L., a limited liability Spanish company,
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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 2009 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) of the Global Reporting Initiative as described in the chapter entitled About this 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
Partner

3 May 2010



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GRI contents index

GRI G3 contents index

1	Strategy and analysis	Pages
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1.2	Description of key impacts, risks and opportunities.	4-5, 35-37, 82
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2.1	Name of the organization.	1
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2.3	Operational structure of the organization, including main division, operating companies, subsidiaries and joint ventures.	11
2.4	Location of organization's headquarters.	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.	The CLH Group carries out its activities in Spain.
2.6	Nature of ownership and legal form.	1
2.7	Markets served (including geographical breakdown, sectors served and types of customers/beneficiaries).	11-14
2.8	Scale of the reporting organization, including: <ul style="list-style-type: none">- Number of employees.- Net sales (for private sector organizations) or net revenues (for public sector organizations).- Total capitalization broken down in terms of debt and equity (for private sector organizations).- Quantity of products or services provided.	6



2	Profile of the organization	Pages
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3.5	Process for defining report content, including: <ul style="list-style-type: none">- Determining materiality;- Prioritizing topics within the report;- Identifying stakeholders (interest groups) the organization expects to use the report.	115-119
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3	Report parameters	Pages
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3.13	Policy and current practice with regard to seeking external assurance for the report.	97-98
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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.	31
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	Corporate Governance Report 76-77, 89
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Corporate Governance Report 77-79
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	30
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).	Corporate Governance Report 81-82



4	Governance, commitments and engagement	Pages
	Governance	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Any conflicts of interest that may possibly arise in the highest governance body are regulated through the internal regulations for conduct on matters relating to the securities market and through the Board of Directors Regulations.
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Corporate Governance Report 125-126
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.	14-16
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.	26-29, 35-37
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	Corporate Governance Report 126
	Commitments to external initiatives	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	115-119
4.12	Externally developed environmental, economic and social charters, principles, or other initiatives to which the organization subscribes or endorses.	26-27
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">- Has positions in governance bodies.- Participates in projects or committees.- Provides substantive funding beyond routine membership dues- Views membership as strategic.	28-29

4	Governance, commitments and engagement	Pages
	Stakeholder (interest groups) engagement	
4.14	List of stakeholder groups engaged by the organization.	28-29
4.15	Basis for identification and selection of stakeholders with whom to engage.	115-119
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	28-29
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.	28-29, 115-119

GRI G3 performance indicators

Management approach: economic dimension			
		Economic value generated.	18
		Economic value distributed.	19
		Indirect economic value.	20
		The CLH Group and value generation through its suppliers.	21-24

Type	GRI G3 Indicator		GC	Pages
	Economic performance indicators			
Principal	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.		18-19
Principal	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.		82
Principal	EC3	Coverage of the organization's defined benefit plan obligations.		62

Type	GRI G3 Indicator		GC	Pages
Economic performance indicators				
Principal	EC4	Significant financial assistance received from governments.		The CLH Group has not received any significant financial assistance from the Spanish government during 2009.
Additional	EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.		61
Principal	EC6	Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation.		24
Principal	EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.		61
Principal	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.		During 2009, the CLH Group has not made any investment in infrastructures, neither has it provided services through commercial, pro bono or in-kind engagements.
Additional	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.		20-21

Management approach: environmental dimension		
	CLH Group environmental management policy.	75
	Environmental expenditure and investments.	76
	Waste management.	80
	Dumping management.	81
	Climate change.	81-82
	Protection of soils and underground water.	83-84
	Management of biodiversity.	85-86
	Impact arising from product transportation.	86

Type	GRI G3 Indicator		GC	Pages
Environmental performance indicators			Observations	
Principal	EN1	Materials used, by weight or volume.	GC8	CLH is a services company that engages in the storage, transportation and distribution of oil products. Its activity does not involve production processes, and therefore it does not use raw materials or packaging.
Principal	EN2	Percentage of materials used that are recycled input materials.	GC8	CLH is a services company that engages in the storage, transportation and distribution of oil products. Its activity does not involve production processes, and therefore it does not use raw materials or packaging.
Principal	EN3	Direct energy consumption by primary energy source.	GC8	77
Principal	EN4	Indirect energy consumption by primary energy source.	GC8	78
Additional	EN5	Energy saved due to conservation and efficiency improvements.		77-78
Additional	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.		78
Additional	EN7	Initiatives to reduce indirect energy consumption and reductions achieved.		77-78
Principal	EN8	Total water withdrawal by source.	GC8	78-79
Additional	EN9	Water sources significantly affected by withdrawal of water.		78-79
Additional	EN10	Percentage and total volume of water recycled and reused.		78-79

Type	GRI G3 Indicator		GC	Pages
Environmental performance indicators			Observations	
Principal	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	GC8	84-85
Principal	EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	GC8	84-85
Additional	EN13	Habitats protected or restored.		84-85
Additional	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.		84-85
Principal	EN16	Total direct and indirect greenhouse gas emissions by weight.	GC8	81-82
Principal	EN17	Other relevant indirect greenhouse gas emissions, by weight.	GC8	81-82, 86
Additional	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.		81-82
Principal	EN19	Emissions of ozone-depleting substances by weight.	GC8	79
Principal	EN20	NOx, SOx and other significant air emissions by type and weight.	GC8	79
Principal	EN21	Total water discharge by quality and destination.	GC8	80-81
Principal	EN22	Total weight of waste by type and disposal method.	GC8	80
Principal	EN23	Total number and volume of significant spills.	GC8	86
Additional	EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annexes I, II, III and VIII, and percentage of transported waste shipped internationally.	GC8	The CLH Group carries out its activities in Spain
Additional	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.		84-85

Type	GRI G3 Indicator		GC	Pages
Environmental performance indicators			Observations	
Principal	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	GC8	86
Principal	EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	GC8	CLH is a company that provides services and engages in the distribution of liquid fuels.
Principal	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	GC8	37
Additional	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.		86
Additional	EN30	Total environmental protection expenditures and investments by type.		76
Management Approach: Social Dimension				Pages
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		Human capital and diversity.		57
		Attracting and retaining talent.		60
		Reconciling working and family life.		62
		Development of human capital.		63
		Internal communication.		66
		Collective bargaining.		66
		Occupational health and safety.		67
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		Managing relations with the community.		88
		Social Action in CLH.		90
		Dialogue with interest groups.		94



Management Approach: Social Dimension				Pages	
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	Corporate Responsibility in the CLH Group.			26	
Responsibility for products					
	Commitment to our customers.			39	
	CLH Group quality management system.			42	
	Satisfying our customers.			49	
	Commitment to technology and research.			52	
	Safety in product transportation.			54	
	Protection of data and commercial communications.			54	
Type	GRI G3 Indicator			GC	Pages
Labour practices					
Principal	LA1	Total workforce by employment type, employment contract, and region.			57-58
Principal	LA2	Total number and rate of employee turnover by age group, gender, and region.			57, 60
Additional	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.			62
Principal	LA4	Percentage of employees covered by collective bargaining agreements.			GC3 66
Principal	LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in the collective bargaining agreements.			GC3 In accordance with articles 13, 16, 49, 50 and 74.4 of its collective bargaining agreement, CLH undertakes to inform its employees, or their representatives, of the introduction of organizational changes that could affect them. The notice periods vary depending on the importance of the measure.



Type	GRI G3 Indicator		GC	Pages
Labour practices				
Additional	LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and give advice on occupational health and safety programmes.		71
Principal	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.		67-68
Principal	LA8	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases.		72
Additional	LA9	Health and safety topics covered in formal agreements with trade unions.		71
Principal	LA10	Average hours of training per year per employee by employee category.		63-64
Additional	LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.		64
Additional	LA12	Percentage of employees receiving regular performance and career development reviews.		65
Principal	LA13	Composition of governance bodies and breakdown of employees by category according to gender, age group, minority group membership, and other indicators of diversity.	GC6	57-58
Principal	LA14	Ratio of basic salary of men to women by employee category.		61
Human rights				
Principal	HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	GC1-GC2	The CLH Group has drawn up a Corporate Responsibility Outline Plan, which includes plans of action aiming at being able to provide an answer to this indicator in the long term.

Type	GRI G3 Indicator		GC	Pages
Human rights				
Principal	HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	GC1-GC2	22-23
Additional	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.		The CLH Group carries out its operations in Spain, where there is no risk of violation of human rights. It is for this reason that there is no module that provides for these issues, although there is no reason to rule out its inclusion in the medium or long term.
Principal	HR4	Total number of incidents of discrimination and action taken.	GC1-GC6	57
Principal	HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	GC3	66
Principal	HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	GC5	The CLH Group carries out its operations in Spain, a country where there is no danger of activities related to the exploitation of children.
Principal	HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	GC4	57
Additional	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.		The CLH Group carries out its operations in Spain, a country where no indigenous properties exist.

Social performance indicators

Type	GRI G3 Indicator		GC	Pages
Sociedad				
Principal	SO1	Nature, scope and effectiveness of programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.		88-89
Principal	SO2	Percentage and total number of business units analysed for risks related to corruption.	GC10	0%. The CLH Group has completed work on its Code of Conduct, which is pending approval by the Board of Directors.
Principal	SO3	Percentage of employees trained in the organization's anti-corruption policies and procedures.	GC10	The CLH Group is currently drawing up a Code of Conduct, which is pending approval by the Board of Directors, and hopes to be able to put into operation the mechanisms necessary for providing an answer to this indicator in the long term.
Principal	SO4	Actions taken in response to incidents of corruption.	GC10	No incident of corruption has occurred in the company during 2009.
Principal	SO5	Public policy positions and participation in public policy development and lobbying.		34
Additional	SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions, by country.		The CLH Group has not made any financial or in-kind contributions to political parties or related institutions.



Type	GRI G3 Indicator		GC	Pages
Sociedad				
Additional	SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices, and their outcomes.		In 2009, the CLH Group has not been involved in any lawsuit for causes related to monopoly practices and anti competitive behaviour.
Principal	SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.		37
Responsibility for products				
Principal	PR1	Life cycle stages in which health and safety impacts of products are assessed for improvement, and percentage of significant products and services categories subject to such procedures.		54
Additional	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.		No incidents of non-compliance with regulations or voluntary codes concerning health and safety impacts of products and services have occurred during 2009.
Principal	PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.		41
Additional	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.		54
Additional	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.		49-52
Principal	PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.		54

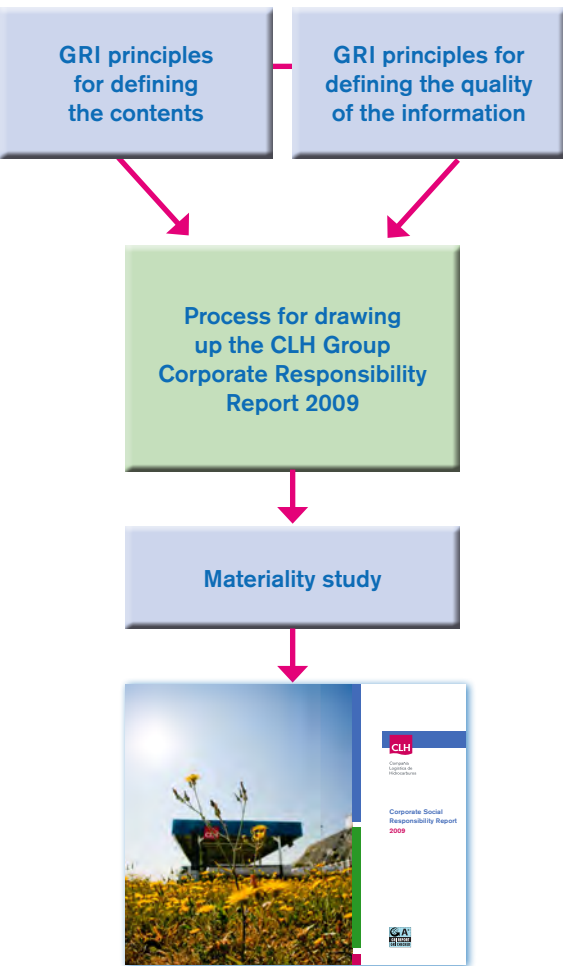
Type	GRI G3 Indicator		GC	Pages
Responsibility for products				
Additional	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.		No incidents of non-compliance with regulations relating to marketing communications have occurred during 2009.
Additional	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		No claims regarding breaches of customer privacy and losses of customer data have occurred during 2009.
Principal	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of the organization's products and services.		37



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About this report

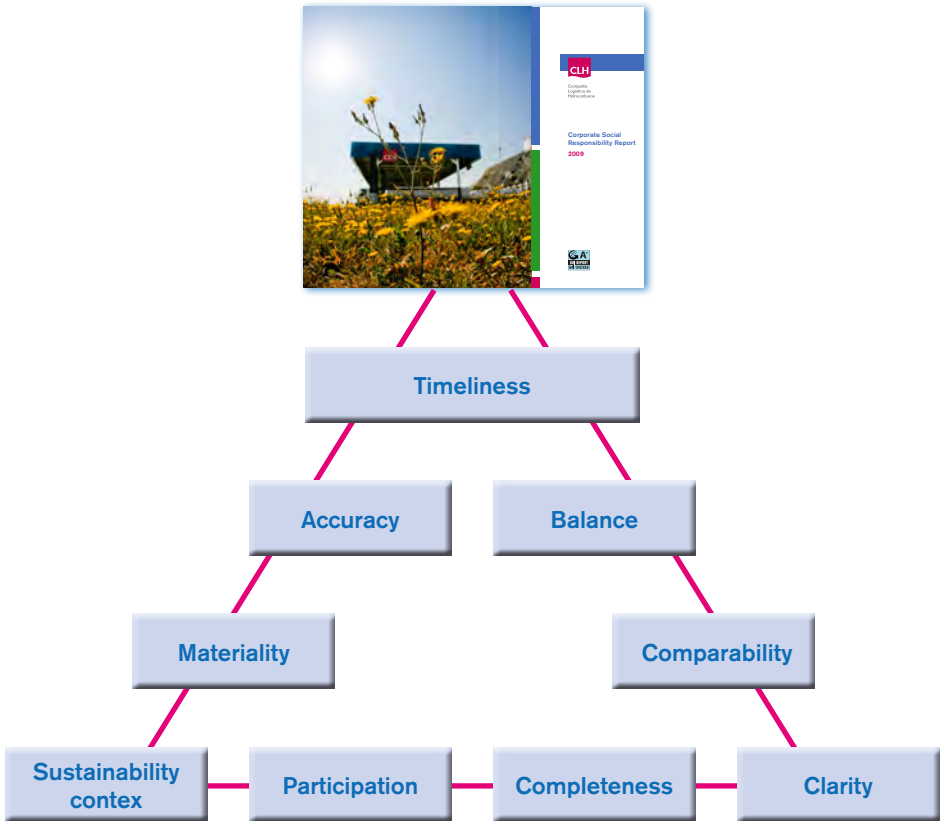
About this report



The third CLH Group Corporate Responsibility Report was coordinated by the Communication and Institutional Relations Management, and the principal areas of the company participated in its preparation.

This report was prepared in accordance with the Global Reporting Initiative 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 an external verification, through KPMG, of this self declaration on the application of the standard and to submit it to review by the GRI.



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

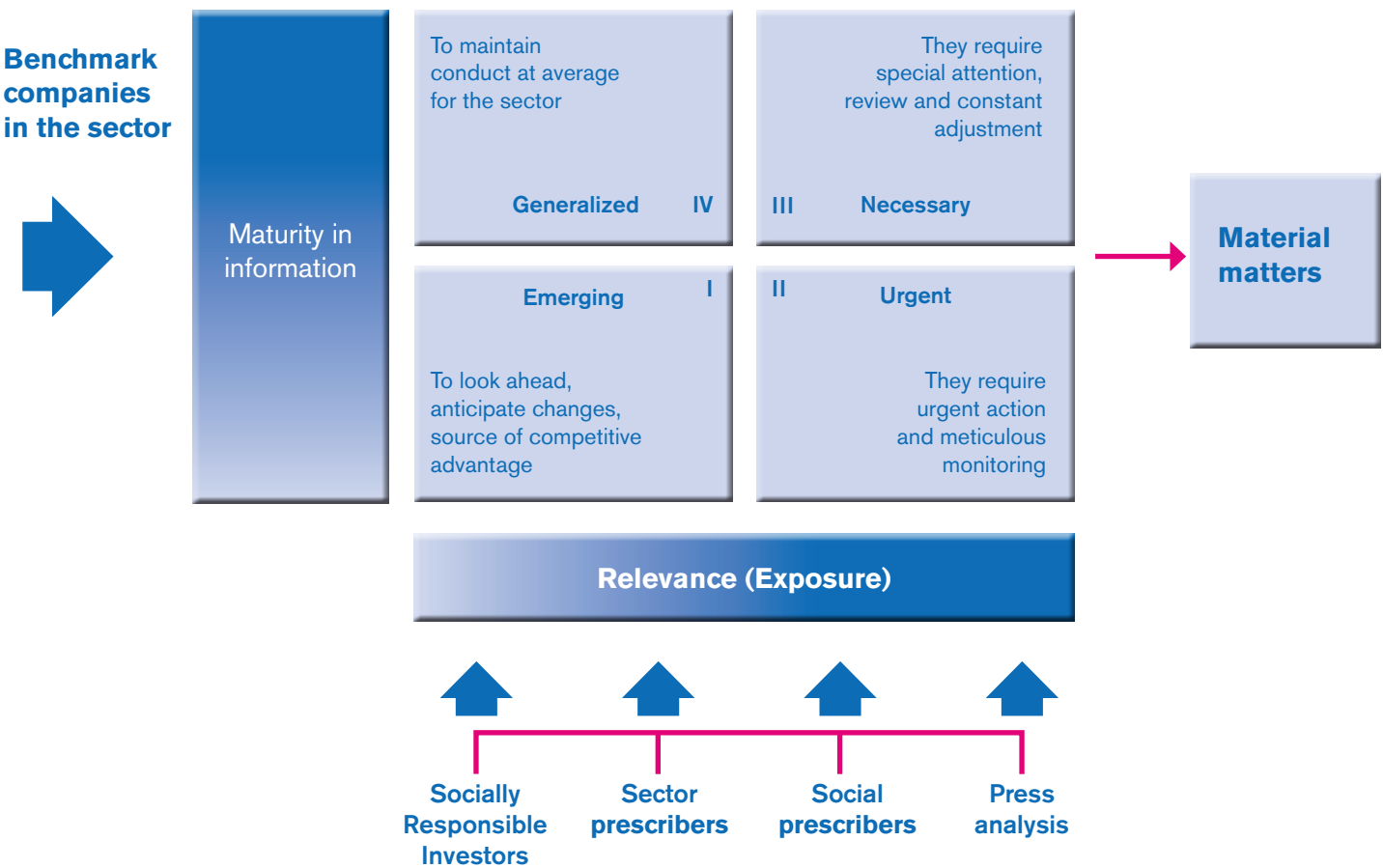
Principle of materiality

“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 attribute 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
Corporate Social Responsibility 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 service to customers
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 interest groups

Contexto de sostenibilidad

“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 interest groups 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 2009 have been included, without omitting any information that is useful for the company’s interest groups. 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 interest groups 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 interest groups 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 interest groups 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 interest groups to assess the performance of the reporting organization.”

“The information should be stated in a comprehensible and accessible way for the interest groups 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 interest groups.

Principle of timeliness

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

The CLH Group adheres to a formal commitment to report annually to its interest groups 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.



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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.

Bioethanol: Alcohol made by fermenting the sugar components of plant materials; it is made mostly from sugar and starch crops.

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.

CO₂: 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 fill up with sea water on ballast voyages.

European Foundation for Quality Management (EFQM): An international foundation based in Belgium that works towards increasing the efficiency and efficacy 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 (GG): These are mainly CO₂, N₂O 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.

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.

(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.

SO₂: Sulphur dioxide.

SOx: 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 end customers.

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.



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