



Integrated report non-financial statement of  
Compañía Logística de Hidrocarburos CLH, S.A.  
and subsidiaries

2018





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## About this report

This document, which is an integral part of the consolidated management report as of 31 December 2018 of Compañía Logística de Hidrocarburos CLH, S.A. (hereinafter, Compañía Logística de Hidrocarburos CLH, S.A. and its dependent companies shall be referred to as “CLH Group”, “CLH” or the “Company”), has been prepared according to the requirements set out in Act 11/2018, of 28 December, which modifies the Code of Commerce, the consolidated text of the Companies Act approved by Royal Legislative Decree 1/2010, of 2 July, and Act 22/2015, of 20 July, on Accounts Auditing, with regard to non-financial information and information on diversity.

In order to provide this information, CLH has taken the Global Initiative for Sustainability Reporting of the Global Reporting Initiative (GRI Standards) as the basis. The scope of this Non-Financial Statement includes information relating to financial year 2018 for CLH.



# Letter from the Chairman and the CEO

**José Luis López de Silanes**  
CLH Group Chairman

**Jorge Lanza**  
CEO



We are pleased to present, for the first time, this Consolidated Report of the CLH Group Non-financial Statement, where we disclose our financial and non-financial results for 2018, as well as our main initiatives in corporate social responsibility. It replaces the report we had been publishing annually since 2007, according to our corporate social responsibility policy.

During 2018, we continued to develop the Strategic Plan approved in 2017, which is aimed at maintaining excellence in our operations, strengthening the focus on meeting new customer needs, providing new services and promoting our international expansion.

Along these lines, we also promoted the development of new services in Spain, particularly in coastal facilities and in terminals connected to refineries, as well as in the United Kingdom.



For its part, CLH Aviación renewed its presence at 20 airports, including Madrid and Barcelona, and was awarded another 8 airports for the first time in Spain.

Another highlight of the year was the major progress achieved in our international expansion programme, starting commercial operations at five airports in Panama and the award of a new airport at the end of the year in this country.

“Profit after tax of the Group exceeded **238 million euros** in 2018, which represents a **2%** increase compared to the year before”

In addition, CLH Aviation Ireland inaugurated two new storage tanks and the first section of the new hydrant network at Dublin airport, as part of the renovation project underway there.

Furthermore, in 2018 we commissioned the whole of the new logistics network that the CLH Group has constructed in Oman in cooperation with Orpic.

Thanks to this, and to the contribution of our international business, which already represents 14% of operating income in the CLH Group, as well as the efforts made in cost savings and efficiency improvement, profit after tax of the Group exceeded 238 million euros in 2018, which represents a 2% increase compared to the year before.

As for investments, over 77 million euros were aimed at improving our infrastructures and services in all the countries where we are present, and continuing to identify new international projects.

With regard to safety, we have achieved a reduction of 25% in the accident frequency rate and have launched a new programme to reinforce prevention within the company and reach the target of “zero accidents”.

Similarly, we have continued to launch initiatives included in the Podium programme aimed at improving efficiency, streamlining our processes and, ultimately, facilitating our working methods.

We have also continued to develop different corporate social responsibility initiatives relating to safety, the environment, social action and entrepreneurship promotion, aimed at creating sustainable value for our stakeholders.

To sum up, in 2018 we have once again confirmed through actions our commitment to the principles of the UN Global Compact and our own Code of Conduct with regard to human, labour, and environmental rights and the fight against corruption, not only when carrying out our direct activities but also through cooperation with our suppliers, for the purpose of ensuring the long-term sustainability of the company.

If you would like to learn more about the actions we carried out in 2018, we encourage you to peruse this report, which we place at your disposal so that you can better assess the progress achieved by the CLH Group in each of these matters.



# Highlights

## 2018

### Business

#### Progress of the Strategic Plan

We continue to develop the 2017-2021 Strategic Plan, which foresees investments amounting to 830 million over five years. This document forecasts, according to an update performed in 2018, that the company will continue to grow in forthcoming years thanks to the recovery of activity in Spain and the international expansion, coupled with the cost reduction plan and efficiency improvements being implemented by the company.

#### Changes in the shareholding structure

The shareholding structure of the CLH Group experienced new changes when Ardian sold its 10% shareholding, which was subsequently acquired by two investment funds that were already present in our share capital: APG and WSIB, revealing their trust in our company's management and growth.

#### Supply contract with Phillips 66

Phillips 66 Limited will supply a significant amount of oil products every year from its refinery in Humber through the CLH-PS pipeline network in Killingholme.

#### Present at more airports

After the tendering process organised by the Spanish Aviation Authority (AENA), CLH Aviación renewed its presence at 20 airports, including Madrid and Barcelona, and was awarded another 8 airports for the first time. Therefore, combining new and previous concessions, the company will be present at 37 airports in 2019.

#### Development of the Podium programme

In 2018 the CLH Group continued to develop its Podium programme, a plan aimed at promoting projects designed to ensure the company's sustainability.

#### Renewal of the agreement on good environmental practices

Facilities in Santurce, Gijón, Barcelona, Ibiza, Porto Pi, Mahón and Algeciras renewed their Agreements on Good Environmental Practices with the corresponding Port Authorities, undertaking to certify the sustainability of their activities through external controls.

#### Collaboration agreement with the Spanish Royal Automotive Federation

CLH and the Spanish Automotive Federation (RFEdA) signed a collaboration agreement for carrying out training, advisory and research activities, or any other type of actions that interest both entities.



## Internationalisation

### New project in Mexico

Hydrocarbon Storage Terminal, S.A.P.I. de C.V. (HST), in which CLH holds a 60% interest through the company CLH México Logística, S.A. de C.V. (CLH México Logística), will be responsible for constructing and operating a new oil product facility in the municipality of Acolman, one of the largest areas of fuel product consumption in that country.

### Completion of the logistics network in Oman

OLC commissioned the entire new oil product transportation network constructed in Oman, comprising a storage facility and a 300-kilometre pipeline which connects the new plant to the two refineries in that country and to the International Muscat airport.

### Landing in Panama

CLH Panamá commenced its business operations at five airports and was awarded a new airport towards the end of the year, Marcos A. Gelabert. The company is currently implementing an important modernisation plan which envisages the construction of a new service station in Tocumen and the incorporation of new supply vehicles across all airports.

### CLH Aviation Ireland continues to grow

CLH Aviation Ireland put into operation the first section of the hydrant system under construction at Dublin airport, in addition to two new storage tanks, which have made it possible to cater for the growth in activity experienced by this airport during the year.

## Awards and prizes

### Ambassador for European Excellence 2018

The CLH Group was appointed Ambassador for European Excellence 2018, a title created by the Club for Excellence in Management (CEG, Spanish acronym) and Marca España in recognition of its commitment to continuous improvement and excellence.

### Best project in the Middle East

The new logistics system built by CLH and Orpic in Oman received an award as the best “Downstream Project of the Year” at the Oil & Gas Middle East & Refining & Petrochemicals Middle East (RPME) Awards ceremony held in Dubai.

### Recognition for safety

The CLH-PS facility in Bramhall won, for the fifth time in a row, the gold medal for its performance in health and safety at the Royal Society for the Prevention of Accidents awards.



## Collaboration with society

### Supporting female African researchers

The CLH Group joined the programme “Science by Women”, promoted by the Women for Africa Foundation, which will enable a female African scientist to experience a research period at the Institute of Photonic Sciences (ICFO).

### Conference sessions “Society in pursuit of role models”

The company cooperated yet another year with the University of La Rioja in the organisation of the “Society in pursuit of role models” programme, a series of conferences given by prestigious figures from the arts, science or history worlds, which took place during the academic year.

### Sponsorship of the Football Social Sports School in San Fernando de Henares

For the eighth consecutive year, the company sponsored a social integration school in San Fernando de Henares, a project promoted by the city council and the Real Madrid Foundation offering boys and girls between the ages of 5 and 16 an education in social values through sports.

### Entrepreneurship support

The CLH Group continue to support entrepreneurship and new business ideas in cooperation with the Institute for Business Competitiveness of Castilla y León (ICE), Campus Iberus and the Promotion Institute of the Region of Murcia.

### Promotion of digital knowledge and physical activity

The company cooperated with the City Council of Castellví de Rosanes (Tarragona) in the promotion of digital literacy projects for the elderly and the development of activities to foster active ageing.

### Donation of a tank wagon to the Train Museum in Móra la Nova

The CLH Group donated a CAMPSA tank wagon to the collection of the Train Museum in Móra la Nova (Tarragona), an entity belonging to the Science and Technical Museum of Catalonia which aims at renovating and maintaining locomotives, traction units, coaches and historical wagons.

## Institutional relations

### Meetings with public representatives

The company continued to promote institutional relations and held meetings with several public representatives, such as the president of the Regional Government of Madrid, Ángel Garrido, and of the Regional Government of Murcia, Fernando López Miras, the minister of the Economy, Employment and the Treasury of the Regional Government of Madrid, Engracia Hidalgo, and the president of the Provincial Council of Vizcaya, Unai Rementería.

### Distinction of the Order of Civil Merit

The Chairman of CLH received the distinction of the Order of Civil Merit, awarded by the Spanish minister of Foreign Affairs and Cooperation, at the proposal of the Government Representation Department of La Rioja.



# 1 Our business

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# Company profile

## Who we are

The CLH Group is the leading company in the transport and storage of oil products in Spain and one of the largest private companies in the industry worldwide.

The CLH Group mainly operates in Spain, where it comprises CLH, CLH Aviación and TERQUIMSA (Terminales Químicos, S.A.).

It is also present in four other countries, through CLH Pipeline System (CLH-PS) Ltd. in the UK, CLH Aviation Ireland in Ireland, CLH Panamá in Panama and Orpic Logistics Company L.L.C. (OLC) in Oman.

## Our vision

The CLH Group vision is to contribute to economic, environmental and social progress, to provide our customers with excellent service, guarantee profitability for our shareholders and develop the employment prospects and promotion of our employees, as well as helping them balance their family and professional lives.

We aim to be an international benchmark in energy distribution, contributing 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.

Furthermore, we also aim for our employees to feel proud of forming part of the company, aware of the importance of their work.

## Our values

The CLH Group culture is based on features such as safety, commitment and the ability to generate trust among stakeholders.

Safety

Efficiency

Commitment

Responsibility

Excellence

Integrity

Trust



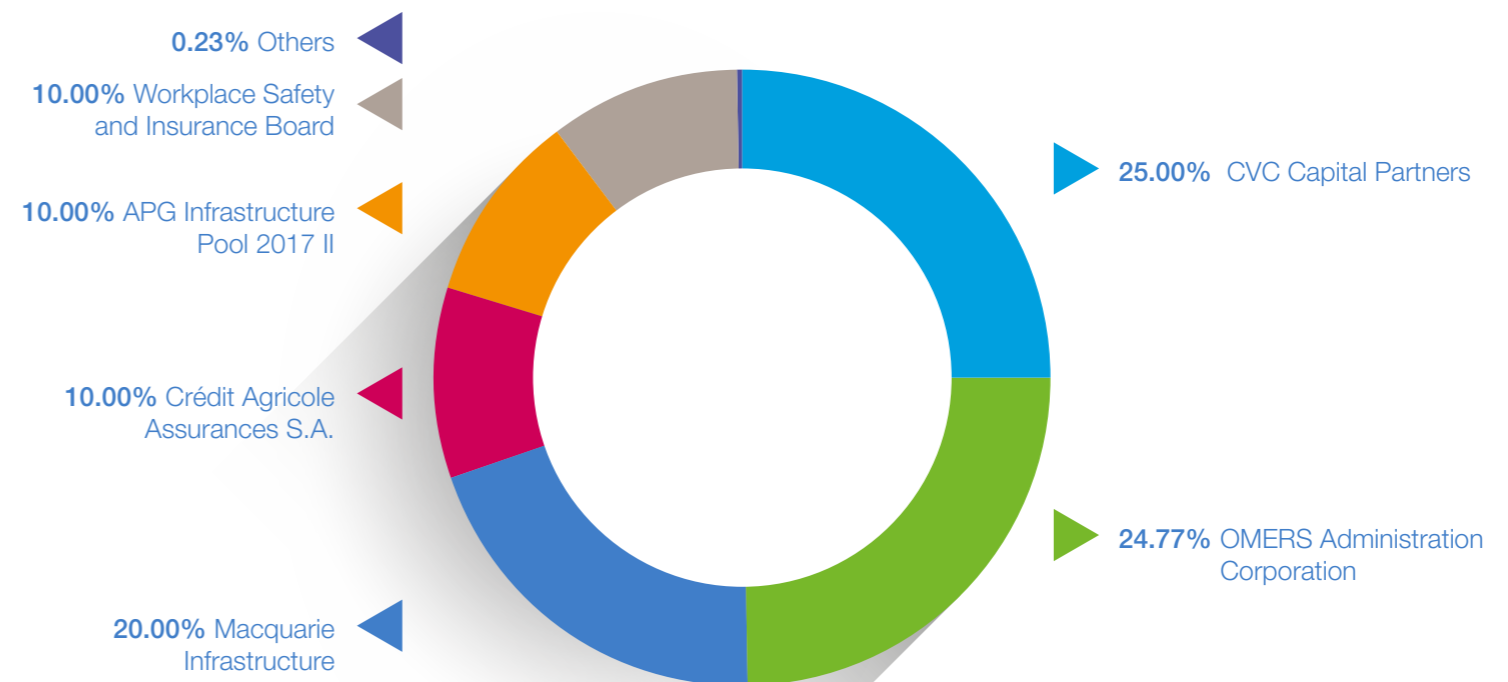
## Our shareholders

The shareholding structure of the CLH is composed of financial shareholders and investment funds specialised in managing infrastructures, which support the company's plans for growth and modernisation.

In December 2018, two investment funds that were already present in the shareholding structure of CLH (APG Infrastructure and WSIB) acquired a 10% holding from Ardian.

As a result of this transaction, APG and WSIB acquired an additional holding of 5% each and reached a total holding of 10% each in CLH share capital.

### SHAREHOLDING STRUCTURE AS AT 31/12/2018





# Our strategy

## How do we create long-term value?

CLH activity is key to ensuring the good performance of the economy and society because, even though the market is undergoing a profound transformation focused on the decarbonisation of the energy sector and reducing emissions to fight against climate change, oil products are still the main energy source worldwide and will continue to be so in forthcoming years, albeit with a declining share in the energy mix.

The main activity of CLH is the storage and transportation of oil products from port facilities or refineries to the places where these are consumed, thus guaranteeing easy and safe access to fuels.

Furthermore, CLH Aviación is an international reference in international airport logistics and guarantees an efficient and safe supply of aviation fuel at more than 40 airports both Spanish and international airports.

Another feature of the CLH Group that has been proven over the years is its ability to adapt to new market needs, updating its infrastructures and processes with the aim of improving quality, safety and respect for the environment in its activities.

In this regard, the company will continue to adapt to new demands in the industry by introducing new activities and services that ensure the sustainability of its activities in the long term in view of the energy transition challenge, and by helping guarantee easy and safe access to energy.



## Strategic pillars of the CLH Group in the 2017-2021 Strategic Plan

In 2018 the CLH Group revised the financial terms of the Strategic Plan. According to this update, the company will continue to grow in forthcoming years thanks to the recovery of the activity in Spain and to international expansion, coupled with the cost reduction plan and efficiency improvements currently underway.

This Plan is structured around five main areas of action:

### ► Strengthening and growing the main business: basic logistics and aviation

Maintaining operational excellence and promoting business growth by carrying out specific actions that make it possible to adapt infrastructures to market requirements and enhance company competitiveness.

### ► Development of new services

Continuously analysing customer demands in order to offer new services that are tailored to their needs, particularly at maritime terminals and facilities adjacent to refineries, including diversified logistics activities and services linked to new products.

### ► International growth

Consolidating existing international projects, as well as searching for new business opportunities in other countries.

### ► Efficiency improvement

Continuing to incorporate the latest technology and progress in process automation, favouring document digitalisation and promoting research and development at the same time.

### ► Revitalisation and Cultural Change

Reviewing company processes and implementing new ways of working based on cooperation, discussion and a focus on the customer in order to have a more united team and a company that is more modern and flexible.

Furthermore, as part of the Strategic Plan, the CLH Group has a **CSR Master Plan**, which includes actions on safety, environmental, product quality and excellence in service matters, aimed at guaranteeing sustainable management and creating value for the stakeholders.



# Our activity in 2018

## Financial results

Profit after taxes of the CLH Group in 2018 exceeded 238 million euros, which represents an increase of 2.0% compared to the previous year.

Operating income reached 724 million euros, or 0.5% less than in 2017, mainly owing to the expiration of several storage contracts with traders associated with the contango (a situation that takes place when the futures price of a specific commodity trades above the spot price).

The contribution made by the international business continued to grow and reached 101.2 million euros in operating income, which represents 14.0% of the total for the group.

Operating expenses reached 407.2 million euros, which is 2.2% less than in 2017, thanks to the efficiency and cost reduction plans promoted by the company.

The EBITDA of the CLH Group reached 428.2 million euros, which is 6.9% higher than in 2017, thanks to increased activity in the logistics network in Spain, strong growth in aviation fuel demand, both in Spain and in Ireland, the commencement of business operations in Panama and the positive outcome of the commercial negotiations carried out by CLH-PS.

Despite the disappearance of the contango, thanks to this growth in the international business and cost savings, recurring operating profit grew by 1.8% compared to the year before and amounted to 317.2 million euros.

### GENERATION OF WEALTH

	2016	2017	2018
Operating profit (million euros)	302.1	311.7	317.2
Net profit (million euros)	217.7	233.6	238.3
Operating income (million euros)	711.4	728.0	724.4
Operating expenses (million euros)	409.2	416.3	407.2
Investments (million euros)	110.2	107.0	77.6
Dividends (million euros) <sup>(1)</sup>	206.6	210.7	240.2
Total assets (million euros)	2,178.45	2,168.09	2,239.5

<sup>(1)</sup> The dividend from 2018 amounts to 240.2 million euros (€3.4292/share), of which 54.5 million (€0.7777/share) corresponds to an additional dividend proposed for approval by the General Shareholders' Meeting.



## Direct economic value generated and distributed

Indicator GRI 201-01 for the company CLH S.A. and the CLH Aviación company. This work has been done with the Audited Annual Accounts for the 2018 fiscal year.

(Thousand euros)

Concept	CLH S.A.	CLH Aviación	Total	Reference
<b>Direct economic value generated</b>	<b>602,101</b>	<b>79,652</b>	<b>681,753</b>	
Sales and other operating income	555,151	76,350	<b>631,501</b>	<b>1</b>
Financial income	47,407	6,495	<b>53,902</b>	<b>2</b>
Results for disposal of fixed assets	(457)	(3,193)	<b>(3,650)</b>	<b>3</b>
<b>Economic value distributed</b>	<b>(484,322)</b>	<b>(68,394)</b>	<b>(552,716)</b>	
Operational expenses	(132,599)	(25,634)	<b>(158,233)</b>	<b>4</b>
Salaries and benefits of employees	(87,772)	(25,792)	<b>(113,564)</b>	<b>5</b>
Payments to capital providers (dividends to shareholders and interest payments to capital providers)	(195,490)	(21,983)	<b>(217,473)</b>	<b>6</b>
Payments to the government	(68,461)	5,015	<b>(63,446)</b>	<b>7</b>
<b>Economic value withheld</b>	<b>117,779</b>	<b>11,258</b>	<b>129,037</b>	

## Investments

The CLH Group invested 77.6 million euros in 2018 in the continued improvement of its infrastructures and services, both in Spain and in the rest of the countries where it is present.

In Spain, the company invested 40.6 million euros in the execution of different projects. Specifically, 39.7% of this amount was devoted to investments in maintenance and business growth; 29.9% to the renovation, extension and modernisation of equipment; 18.7% to environmental and safety projects; and the remaining 11.7% to capital contributions for the development of new international projects and financial investments.

In the other countries where the CLH Group is present, investments reached 36.1 million euros. In the United Kingdom, CLH-PS invested 19.6 million euros to continue upgrading its logistics network in order to increase its efficiency and safety, both in commercial and in military infrastructures. Moreover, the company internalised the management of the Bramhall plant and has begun refurbishing work in order to offer the best service possible to Phillips 66, after a long-term supply agreement was signed with this US company.



For its part, CLH Aviation Ireland invested 11.5 million euros in the ongoing extension of the fuel storage facility at Dublin airport, where it inaugurated the third storage tank and the first section of the new hydrant network.

The remaining 5.9 million euros were invested in the acquisition of supply vehicles for CLH Panamá, a subsidiary of CLH Aviación that commenced its business operations in August and provides services at six airports in that country.

## CLH

CLH is the leading company in the transport and storage of oil products in the Spanish market.

The company brings oil products from refineries and ports to consumption areas. Thus, it has one of the largest and most efficient integrated networks of transport and storage of oil products in the world, with more than 4,000 kilometres of pipeline and 40 storage facilities with a storage capacity of 8 million cubic metres.

CLH's main activities are:

- **Storage, transport and distribution** of oil products on mainland Spain and the Balearic Islands.
- **Storage** of strategic and commercial **reserves**.
- **Provision of specialised services:** biofuel blending, analysis and quality control, metrology and additivation.

The high level of efficiency achieved by the company, thanks to the integrated management of storage and transportation activities and to the use of the latest technology, made it possible for the average price of its logistics services in 2018 to be less than one euro cent per litre, which represents less than 1% of the price paid by the end consumer per litre of fuel.

### Deliveries of oil products

Deliveries of oil products from CLH facilities in Spain reached 47 million cubic metres in 2018, which represents an increase of 2.0% compared to the year before, owing to the increase in demand and the withdrawal of products stored by traders after the end of the contango period, which had already started the year before.

Broken down by products, deliveries of gasoline and diesel oil decreased by 2.2% compared to 2017, kerosene and aviation fuel grew by 4.5% and fuel oils and IFOs grew by 4.2%. Furthermore, in 2018 CLH consolidated the naphtha dispatch service that started in December 2017, supplying nearly 1.4 million cubic metres in 2018.



The volume of oil products transported by pipeline reached 23.5 million tonnes. The company also transported by vessel 2.9 million tonnes, which represents an increase of 15.3% compared to the year before.

With regards to biofuel services, CLH managed 1.67 million cubic metres of biodiesel and HVO (hydrobiodiesel), and 0.25 million cubic metres of bioethanol. The company received biofuels

already blended with diesel oil and gasoline and in their pure form or denatured in order to be blended in the loading arm and in the line.

As of 31 December 2018, the storage capacity of CLH in Spain was 8 million cubic metres, with 7.6 million being for clean products and 0.4 million for fuel oil and other product storage.

## CLH Aviación

CLH Aviación operates at the main airports on mainland Spain and the Balearic Islands, where it manages 28 storage facilities and an extensive fleet of refuelling units and dispensers.

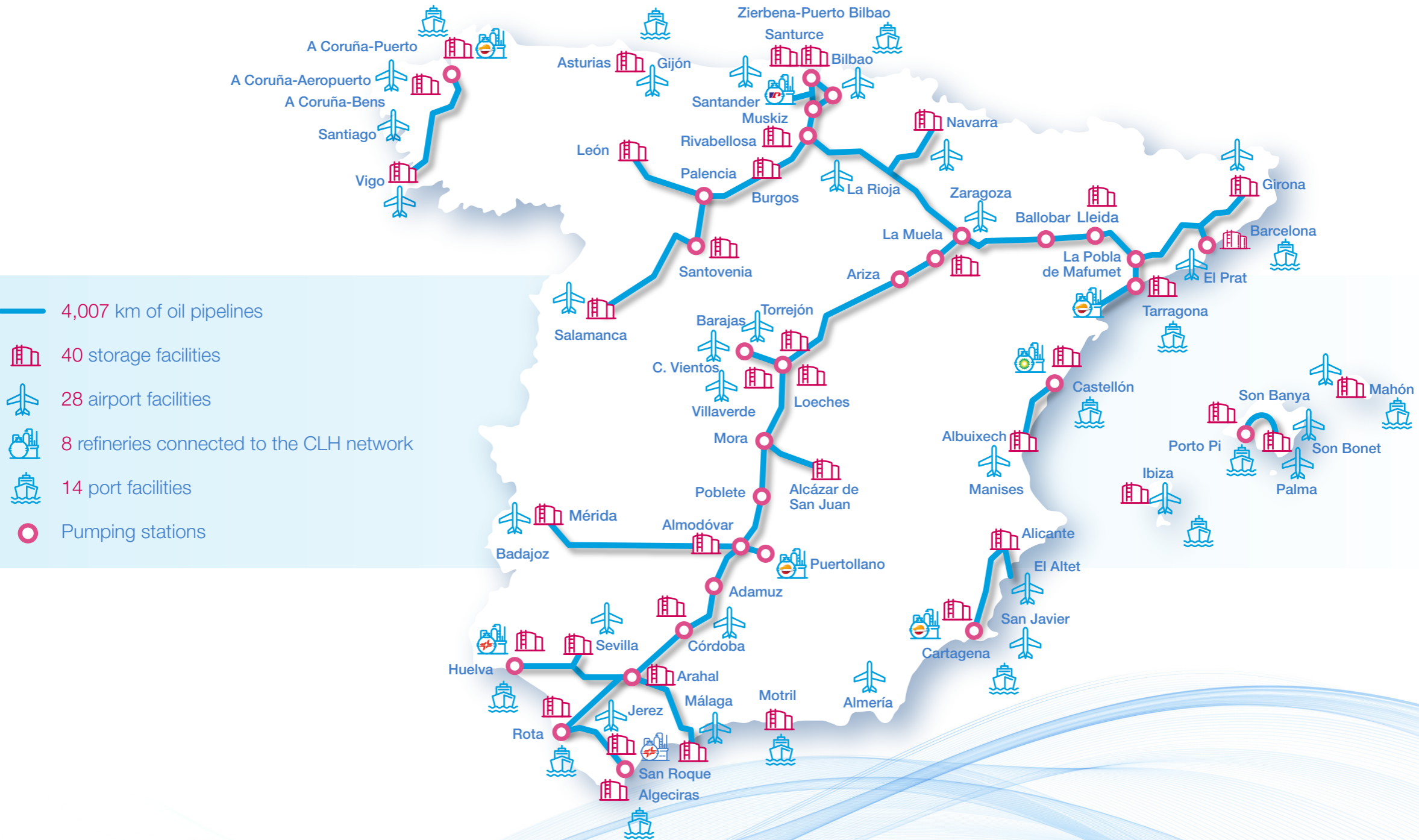
The company mainly offers services for the storage, distribution and into-plane supply of aviation fuels and lubricants.

In 2018, after the tendering process organised by the Spanish Aviation Authority (AENA), CLH Aviación renewed its presence at 20 airports, among others Madrid and Barcelona, and was awarded another eight for the first time. Therefore, combining new and previous concessions, the company will be present at 37 airports in 2019.

During 2018, CLH Aviación performed more than 321,000 aircraft supply operations and provided direct into-plane supply of more than 2.5 million cubic metres of aviation fuel.

Activity data	2016	2017	2018
<b>Deliveries from facilities</b> (thousand cubic metres)	44,157	46,003	<b>46,880</b>
Gasoline and diesel oil (thousand cubic metres)	35,626	36,879	<b>36,066</b>
Gasoline (thousand cubic metres)	5,484	5,656	<b>5,715</b>
Diesel oil (thousand cubic metres)	30,142	31,223	<b>30,351</b>
Aviation fuels (thousand cubic metres)	6,338	6,828	<b>7,134</b>
Kerosene (thousand cubic metres)	6,335	6,825	<b>7,131</b>
Aviation gasoline (thousand cubic metres)	3	3	<b>3</b>
Naphtha (thousand cubic metres)	0	86	<b>1,376</b>
Fuel oil (thousand cubic metres)	561	609	<b>570</b>
IFOs (thousand cubic metres)	1,633	1,602	<b>1,734</b>
<b>Means of transport activity</b>			
Tankers (thousand tonnes)	2,708	2,493	<b>2,874</b>
Oil pipelines (thousand tonnes)	22,082	23,529	<b>23,456</b>

1. Our business





## CLH-PS

CLH Pipeline System (CLH-PS) provides storage and transport logistics services to various military facilities and airports in the UK, such as Heathrow, Gatwick, Stansted and Manchester.

The company has a 2,000-kilometre pipeline system and 13 storage facilities, with a capacity of nearly one million cubic metres.

CLH-PS has completed a major modernisation programme on its infrastructures, which is already making improvements in efficiency.

In 2018, the company also renegotiated its commercial contracts, thus increasing the capacity and flexibility of some strategic routes, in addition to fostering other routes which had previously not been very feasible or operation of which had been difficult.

The company also has reached an agreement with the UK Ministry of Defence for new investments in military infrastructures, thus allowing for an update of its prices and services. In addition, the company signed a new longterm supply agreement with the US company Phillips 66.

These transactions contribute to guaranteeing the company's financial stability in forthcoming years and consolidate CLH-PS as one of the main operators in the fuel industry in the UK.

Moreover, CLH-PS renewed its ISO 9001 quality certification from AENOR and the Bramhall facility was awarded for the fifth consecutive year the gold medal for its performance in health and safety at the awards ceremony of the Royal Society for the Prevention of Accidents.





## CLH Aviation Ireland

CLH Aviation Ireland offers logistics services for the receipt, storage and dispatch of Jet A1 to all of the suppliers operating at Dublin airport, as well as to the different into-plane fuelling agents.

The company is carrying out a major renovation project on the storage terminal, which includes the expansion of the plant's capacity and the construction of a new hydrant system.

In 2018, CLH Aviation Ireland put into service the first section of this new hydrant, which supplies Pier 4, located at Terminal 2 and transports nearly 4 million litres of fuel every day.

The company also commissioned two new storage tanks with a capacity of 5,000 cubic metres each, besides the tank inaugurated the year before. The commissioning of these tanks made it possible to cover the increased activity experienced at Dublin airport throughout the year. During 2018, supplies to the airport grew by 13% compared to the year before.

Also, the company obtained the ISO 9001 quality certification and OHSAS 18001 in safety.

## CLH Panamá

CLH Panamá is a subsidiary that is fully owned by CLH Aviación, which is present at six airports in the country, where it operates the fuel storage facilities and performs into-plane fuelling services.

The company was created in 2017, when CLH Aviación was the successful tenderer in a process organised by the government of Panama for the management of fuel storage and supply at Tocumen International Airport, one of the major airports in the Americas, as well as four other regional airports: Scarlett Martínez, Enrique Jiménez de Colón, Panamá Pacífico and Enrique Malek.

In 2018, it started its business operations and was awarded another airport, Marcos A. Gelabert, also known as Albrook Airport, one of the major airports in Panama for domestic flights and private navigation.

In order to gain efficiency, the company is carrying out a major modernisation plan, which envisages the construction of a new service station in Tocumen and the incorporation of new supply vehicles at all airports.



## OLC (Orpic Logistics Company)

OLC is a company in which CLH owns 40% and 60% is held by the Omani company Orpic, which is in charge of the design, construction and start-up of a new storage facility near Muscat with a capacity of 170,000 cubic metres, and a 300-kilometre pipeline connecting this new plant to two existing refineries and to Muscat International airport.

In 2018 the company commissioned the entire logistics system, opening two new pipeline sections which connect the new storage facility with the Sohar refinery and the airport.

This network makes it possible to offer transportation and storage services for kerosene and diesel oil, increasing the safety of oil product supply, optimising its distribution costs and reducing road tanker traffic.

## CLH México Logística

CLH México Logística is a company owned 99.99% by CLH and 0.01% by CLH Aviación. The company was created in 2018 and, through it, 60% of the Mexican company HST has been acquired, which will be responsible for developing the construction and operation project of a new fuel product storage facility.

The new plant will have a capacity of nearly 100,000 cubic metres and will be located in the municipality of Acolman (State of Mexico), 40 kilometres away from the capital city, affording a highly strategic location with excellent connections to the pipeline, railway and motorway in one of the major areas of oil product consumption in the country.

This transaction gives a new momentum to the company's internationalisation plan and enables CLH to continue to progress in the Americas.

## TERQUIMSA

TERQUIMSA, in which Royal Vopak and CLH each own a 50% interest, is dedicated to the receipt, storage and forwarding of bulk liquid products from its facilities, located in the ports of Tarragona and Barcelona.

TERQUIMSA has a total capacity of 615,000 m<sup>3</sup> and stores more than 100 different oil, fuel, chemical and petroleum products. The company is currently in the process of expanding its facilities in Tarragona, which will allow it to increase its storage capacity with an additional 27,500 m<sup>3</sup> for chemical products.

In 2018 the company handled more than 2.2 million tonnes of products.



# Our setting

Oil is currently the most important primary energy in the world, and most business activities are based on oil as their power source, which represents around 40% of the world's energy needs.

Despite the trend toward a low carbon economy to prevent climate change, society continues to depend on oil products, leading demand to continue increasing. In terms of volume, demand worldwide will grow from 95 million barrels/day in 2017 to almost 106 million in 2040, according to the latest report by the International Energy Agency (IEA).

Oil represents around 40% of the world's energy needs

Although consumption will remain stable globally, consumption patterns will change. The company is aware that the success of its activity depends to a large extent on correctly defining a strategy that identifies and mitigates the risks and takes advantage of the opportunities of the new market context.

## 1. Global growth in the demand for oil products, with differences between regions

Worldwide energy demand, and in particular demand for oil products, continued to increase in 2018, supported by the economic development and growth of the world population. This increase in demand was particularly pronounced in China and other emerging economies, although Europe and the United States also showed slightly positive growth rates.

Specifically, in Spain the total demand for oil products grew by 0.1%, with demand for distillates and gasoline increasing by 2.8%, linked to the good performance of the economy. In the future, global demand for oil products is expected to continue increasing, albeit in a very asymmetric way, driven mainly by demand from emerging countries, while mature economies will trend towards stagnation or reduction.

The latest report from the World Energy Outlook, published by the International Energy Agency, forecasts global growth in the demand for oil products of 0.97% per year in the lead-up to 2025 and 0.5% per year in the lead-up to 2040. This growth in demand will be asymmetric, with solid growth in non-OECD countries and a slight progressive decline in OECD countries.

The CLH Group response in view of these perspectives is to seek international expansion in growing markets, boosting the competitive advantages of the CLH Group, and capturing opportunities to develop new logistics infrastructures in these countries.

Likewise, the CLH Group is reinforcing its business, focusing on efficiency and the development of new services in countries with stagnant demand. In the case of Spain, enhanced flexibility at the Group's coastal terminals, making them more flexible and capable of accepting all product and blend types.



## 2. Divergent trends in the demand for different oil products

Aviation fuels continued to experience higher growth in 2018 than other oil products, driven by increased air traffic. Demand for petrochemicals also increased above the average for oil products. Likewise, the application of the new fuel standards for international navigation in 2020 will mean a shift away from demand for fuel oils and high-sulphur diesel oils towards low-sulphur diesel oils. In general, the use of oil products for heating (LPG, heating oils, industrial fuel oils) tends to decline.

In order to minimise this situation, the CLH Group has put a greater focus on products with prospects for greater growth, particularly aviation fuels, owing to the increase in demand and the forecasts of the IEA.

Furthermore, the CLH Group is adapting its assets to the new demands for marine fuels, enhancing flexibility at the Group's coastal terminals in Spain, making them more flexible and capable of accepting all product and blend types.

## 3. Transition towards a low carbon economy

The 2015 Paris Agreement, part of the United Nations Framework Convention on Climate Change, marked a milestone with the accession of more than 120 countries. Despite the announcement from the USA in 2017 of its withdrawal from the aforementioned agreement, the pact will come into force as of 2020.

Particularly, the European Union has developed a Climate and Energy Framework for 2030, which sets ambitious targets for the reduction of greenhouse gas emissions, energy efficiency and the development of renewable sources, and is working to establish a reference framework in the lead-up to 2050 along the same line of progressive decarbonisation of the economy. Within all this, biofuels play an important role.

Within this context, the CLH Group will continue to develop new services associated with fuel storage and transportation, progressing towards diversification and expanding its logistics services to cater for other products which allow the Group to take advantage of its capabilities and ensure the sustainability of the business.

## 4. Digital revolution

The rapid development of new information technologies and mobile connectivity is quickly transforming a large number of economic sectors, including the oil products logistics sector.

In this regard, the CLH Group is focusing on technology as a source of competitive advantages, enhancing automation and remote management, predictive maintenance through big data techniques, the development of proprietary logistic system optimisation technologies, and an advanced and expert project engineering.



# Corporate governance

## Governance structure

### General Shareholders' Meeting

The General Shareholders' Meeting is the main governing body of CLH and has the power to resolve on matters that affect the company that, by law or under the Articles of Association, are not assigned to other company bodies.

Ordinary General Shareholders' Meetings are held within the first six months of each calendar year in order to assess company management, approve the annual accounts and decide on the allocation of the results.

The organisation and conduct of the General Meeting and the exercise of shareholder rights when the Meeting is convened and held are regulated in the Regulations of the General Shareholders' Meeting, thereby completing that set forth by law or by the Articles of Association.



## Board of Directors

The Board of Directors is the top decision-making body of CLH except in matters that are reserved to the General Meeting and holds authority over matters related to the management of the company.

The Board acts at all times with the principle of maximisation of the company's value, both in the long and the short term, supervising the performance of business and securing its present and future viability.

The composition, powers and functioning of the Board are regulated through the Articles of Association and the Board of Directors' Regulations.

### Composition

In 2018 the Board comprised 21 directors: a chairman, a chief executive officer and 19 external proprietary directors. The term of office of its members is five years.

At the end of 2018, the external proprietary directors Theatre Directorship Services Delta, S.à.r.l. and Marthilores 3, S.L. resigned from their positions. For this reason, as of 31 December 2018 the Board of Directors had two vacant positions.

Chairman	José Luis López de Silanes Busto
Chief Executive Officer	Jorge Lanza Perea
Members	<p>Borealis Spain Holdings, B.V. (represented by Alejandro López Delgado)</p> <p>Borealis Spain Parent, B.V. (represented by Philippe Anastase Busslinger)</p> <p>Borealis Spain Parent 2, B.V. (represented by Sarah Vartanouche Juliette Obozian)</p> <p>Jean Jacques Duchamp</p> <p>MEIF 5 Co-Invest Rey Investments, S.à.r.l. (represented by Irene Otero-Novas Miranda)</p> <p>MEIF 5 Rey Holdings, S.L. (represented by Juan Sebastián Caño Sterck)</p> <p>MEIF 5 Rey Investments, S.à.r.l. (represented by Hani Zogheib)</p> <p>MEIF 5 Rey Ventures, S.à.r.l. (represented by Miguel Antoñanzas Alvear)</p> <p>Jean Baptiste Michel Renard</p> <p>Juan Rodríguez Inciarte</p> <p>Servet Shareholdings, S.L. (represented by Jan Reinier Voute)</p> <p>Simcoe Titán, S.L. (represented by Guillermo Briones Godino)</p> <p>Stichting Depositary APG Infrastructure Pool 2017 II (represented by Carlo Maddalena)</p> <p>Theatre Directorship Services Alpha, S.à.r.l. (represented by Juan Arbide Estensoro)</p> <p>Theatre Directorship Services Beta, S.à.r.l. (represented by José Antonio Torre de Silva López de Letona)</p> <p>Theatre Directorship Services Gama, S.à.r.l. (represented by Santiago Ramírez Larrauri)</p> <p>Vaugirard Infra, S.L. (represented by Frédéric Jean Daniel Payet)</p>
Secretary	Luis Valero Quirós



## Commissions of the Board of Directors

### Audit Committee

The role of the Audit Committee is to establish the relevant relationships with external auditors and supervise the company's internal control and risk management systems, as well as conducting internal audits and regulated financial reporting.

This body consists of five non-executive external directors, all of whom are proprietary directors with knowledge and experience in accounting and auditing.

<b>Chairman</b>	Jan Reinier Voute, as representative of director Servet Shareholdings, S.L.
<b>Members</b>	<p>Alejandro López Delgado, as representative of director Borealis Spain Holdings, B.V.</p> <p>Hani Zogheib, como representante del consejero MEIF 5 Rey Investments, S.à.r.l.</p> <p>Guillermo Briones Godino, as representative of director Simcoe Titán, S.L.</p> <p>Frédéric Jean Daniel Payet, as representative of director Vaugirard Infra, S.L.</p>
<b>Secretary</b>	Luis Valero Quirós

### Appointments and Remuneration Committee

The Appointments and Remuneration Committee is responsible for informing or making proposals regarding the appointment and remuneration of directors, members of the Board and company executives.

This body is composed of four directors, all of whom are non-executive external directors. After the resignation of the external proprietary director Marthilores 3, S.L. from its position as director and member of the Appointments and Remuneration Committee, the Committee had one vacant position as of 31 December 2018.

<b>Chairman</b>	Philippe Anastase Busslinger, as representative of director Borealis Spain Parent, B.V.
<b>Members</b>	<p>Juan Sebastián Caño Sterck, as representative of director MEIF 5 Rey Holdings, S.L.</p> <p>José Antonio Torre de Silva López de Letona, as representative of director Theatre Directorship Services Beta, S.à.r.l.</p>
<b>Secretary</b>	Luis Valero Quirós

## Board of Directors' Regulations

The Board of Directors' Regulations follow the recommendations of the Unified Good Governance Code of Listed Companies as regards the need for the Board to devote at least one meeting per year to assessing its functioning and the quality of the work it has done. The result of this assessment is that the functioning and the performance of duties by the Board and its committees, chairman, chief executive officer and secretary of the Board of Directors have been satisfactory.

The Board of Directors' Regulations have been amended to improve the functioning of this body and now include new elements regarding the type and number of meetings, the use of remote communications and compliance with duties and obligations by directors.

The remuneration scheme of the directors is comparable to market standards for comparable companies.

The information on remuneration accrued in 2018 by the directors and executives of the companies pertaining to the CLH Group is contained in the notes to the annual accounts.



## Management Committee

The Management Committee is an internal governance and control body in charge of reporting to the top governing body on the most relevant issues of company management.

The mission of the Management Committee is to define CLH's strategic guidelines, to align the operational strategies of all the business units and to coordinate corporate management departments with the company's general strategy and the needs of the business units.

### Duties of the Management Committee:

- Approval of annual budgets and management plans that will be submitted to the final decision of the Board of Directors.
- Follow-up on the CLH Group's income statement.
- Planning of the company's operational needs in the short and long term.
- Analysis of new market trends and identification of new strategic projects.
- Approval of strategic and investment projects according to current regulations and their follow-up.
- Analysis and follow-up of operational and commercial activities and new business projects.

- Analysis and follow-up of process safety and quality indicators.
- Progress on the design of a single scorecard that identifies criteria, information resources and the person responsible for updates to serve as a basis for monitoring the business.

The company also has other committees that are relevant to its management, particularly: Corporate Responsibility Committee; Ethics Committee; HSSE Committee; Investment Committee and Quality Committee.

### Composition (as of 31 December 2018)

Chief Executive Officer	Jorge Lanza Perea
General Secretary and Secretary of the Board	Luis Valero Quirós
Chairman of CLH Pipeline System (CLH-PS) Ltd and Transformation Manager of the CLH Group	Juan Rafael Bonilla Abascal
Corporate Finance Manager	David Folgado Delgado
Corporate Technical Manager	Javier Alonso González
Operations General Manager	José Luis Conde Álvarez
Marketing & Sales General Manager	Jorge Guillén García
General Manager of CLH Aviación	José Ignacio Rodríguez Auñón
Corporate Strategy and Business Development Manager	Carlos Molina Zamora
Corporate Human Resources Manager	Cristina Jaraba Delgado
Corporate Communication and Institutional Relations Manager	Pedro Martínez López



## Corporate culture and identity

The CLH Group promotes behaviour based on ethical criteria of transparency and good corporate governance.

This commitment is captured in the Code of Conduct, which includes guidelines for conduct applicable to all the people of CLH Group, including senior management, and compliance is also encouraged among suppliers, contractors and partners.

CLH also has an Ethics Committee which oversees compliance with the Code of Conduct and is responsible for spreading knowledge about it. The company webpage and the Corporate Portal contain a Code of Conduct Mailbox available to all stakeholders so that anyone can send queries and clarify any doubts in ethics and integrity matters, as well as report any alleged breach in a confidential manner.

The Ethics Committee is also responsible for assessing such communications and deciding the required actions according to the nature of each case. In 2018, no communication was received related to corruption and bribery issues.

Another responsibility of the Ethics Committee is to supervise the performance of the criminal risk prevention model, which entails a strict, independent, autonomous, objective and confidential analysis of the communications made through the Code of Conduct Mailbox as Internal Channel for Criminal Incident Reporting.

Moreover, the CLH Group guarantees equal opportunities in access to any position or promotion. This commitment is materialised in the Equal Opportunities Plan and the Protocol for the prevention of harassment at work. In compliance with section 7.3 of the protocol for the prevention of and response to harassment at work in the CLH Group, whereby the Ethics Committee shall be informed of statistics relating to cases of harassment within the company, in 2018 certain investigation proceedings were conducted, leading to a mandatory final report stating that no signs of harassment were found and, as such, the report was shelved.

CLH policy on ethics, integrity and criminal risk prevention will be applied to the company's international subsidiaries based in the United Kingdom, Ireland and Panama with the purpose of promoting consistent performance by the companies in the CLH Group while respecting their autonomy, so that they can adapt to the legal requirements of the countries where they operate.



# What we focus on

The contents of this report are based on the material issues identified by the CLH Group, which thoroughly cover the expectations and perceptions of different stakeholders related to the company, based on which, value is created in the short, medium and long term.

The process to identify matters that are relevant to the company has four stages: Identification, Prioritisation, Validation and Review.

Once all the data obtained were identified and weighted, the following materiality matrix was generated and subsequently reviewed and validated by those responsible for the main areas.





## Risks and opportunities

The CLH Group has an integrated Risk Control and Management System, which makes it possible to appropriately deal with any risks to which the company's activities are exposed.

The company has structured risks into four main groups: strategic risks, operational risks, reporting/financial risks and compliance risks.

The bodies responsible for the supervision, maintenance and implementation of the Risk Management System are as follows:

- Audit Committee.
- Management Committee.
- Quality Committee.
- Corporate Responsibility Committee.
- Ethics Committee.
- Risk Map Technical Secretary's Office.

One of the key elements of the system is the Risk Map, a document in which CLH identifies the main risks that impact the achievement of its strategic objectives, subject to the approval of the Audit Committee and monitored regularly.

In 2018, the Group developed a new risk map for CLH Aviation Ireland and updated the risk maps of CLH, CLH Aviación and CLH-PS.

## How we relate to others

The CLH Group has various communication channels that allow it to maintain an open, close and transparent dialogue with its main stakeholders.

The company provides all kinds of information about its activities through its webpage and the main social networks. It also publishes a corporate magazine that is distributed amongst employees and its main external contacts.

Moreover, it participates in consulting sessions, newsletters, sector-specific publications and surveys, to name a few.



# 2

## Value creation among our stakeholders

Creating value through CSR \_ **32**

Creating value for our employees \_ **33**

Generating value for our customers \_ **55**

Creating value for our suppliers \_ **60**

Creating value in society \_ **65**

Creating value in our environment \_ **68**



# Creating value through CSR

## Management of Corporate Social Responsibility in the CLH Group

Management of Corporate Social Responsibility in the CLH Group is structured at three levels:

- The **2017-2021 Strategic Plan**, which includes the company's main lines of work in the field of corporate social responsibility, namely, improving the efficiency of its activities, developing new business opportunities, searching for new international projects and creating value in local communities.
- The **Corporate Social Responsibility Policy**, based on the establishment of relations of trust with the company's stakeholders, in accordance with its mission, vision and values and the ten principles of the United Nations Global Compact.
- The **Corporate Social Responsibility Master Plan 2017-2021**, which is included in the current Strategic Plan and defines the actions of the company in such matters. Within this plan, the progressive implementation of this model to the Group's international business is contemplated, adapting it at the same time to the conditions and particularities of the country in which they are located.

Some of the main lines of action pursued by the company relating to its stakeholders (employees, customers, suppliers, society as a whole or the area surrounding its facilities) are explained in the following chapters of this report.

Even though the CLH Group is present in several countries, the figures included in the following chapters are mainly relating to its activities in Spain.



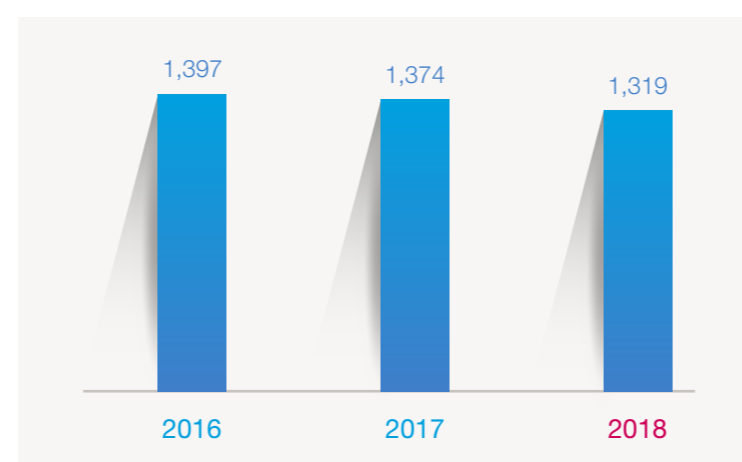
# Creating value for our employees

The CLH Group endeavours to offer the company's staff an attractive professional career in a satisfactory working environment. For such purpose, it has policies regarding training, professional development, work-life balance, attraction and retention of talent and health and safety at work.

The workforce of the CLH Group is made up of a total of 1,737 people, of whom 1,319 work in Spain and 418 belong to the group's international subsidiaries.

The CLH Group's HR policy is based on equal opportunities, diversity, fair remuneration and career development opportunities. The company also actively promotes responsible management following the principles of behaviour included in its Ethics Code and corporate values.

EVOLUTION OF THE WORKFORCE.  
NUMBER OF EMPLOYEES. CLH GROUP IN SPAIN



## Workforce characteristics

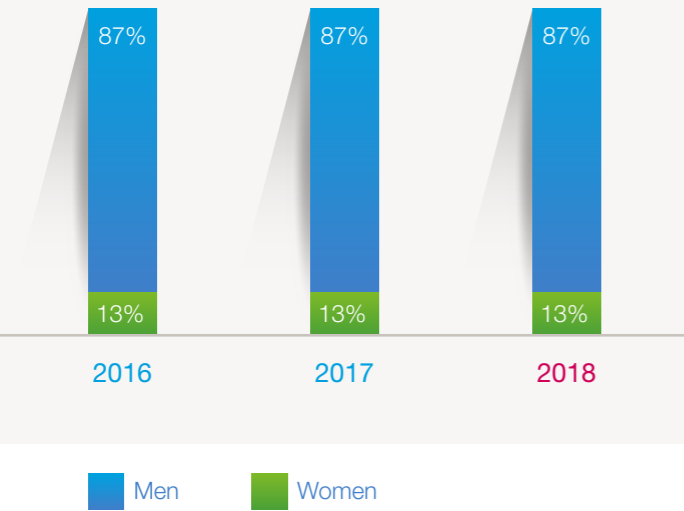
At the end of 2018 the workforce of the CLH Group in Spain comprised 1,319 professionals, as well as nine employees working abroad on the four international projects: CLH-PS, CLH Aviation Ireland, CLH Panamá and OLC. For its part, CLH-PS has 268 CLH Aviation Ireland, 13 and CLH Panamá 132.

In Spain, the plans for termination by mutual agreement, agreed with the workers' representatives, were widely accepted, making it possible to optimise the workforce and adapt it to the professional profiles required by the company.

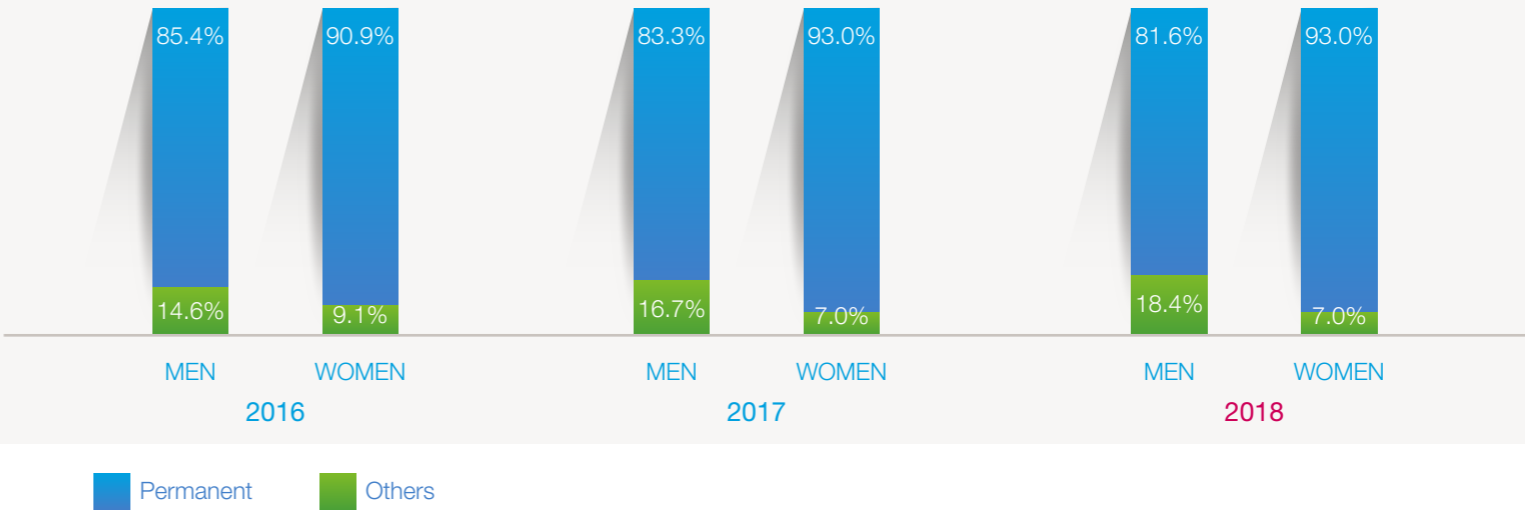
These plans have also promoted the creation of youth employment and gradual incorporation of women. During the 2015-2018 period in Spain, women represented 35% of technical new hires and 11% of total hires.



PERCENTAGE DISTRIBUTION BY GENDER IN THE WORKFORCE. CLH GROUP IN SPAIN



PERCENTAGE DISTRIBUTION BY TYPE OF CONTRACT, BROKEN DOWN BY GENDER. CLH GROUP IN SPAIN



OTHER INDICATORS OF WORKFORCE DIVERSITY. CLH GROUP IN SPAIN

	2016	2017	2018
% international employees	0.9	1.0	1.1%
Average age	43.8	42.8	42.5
% women in new hires for technical positions	23%	42%	14%

## 2. Value creation among our stakeholders

## 35 Creating value for our employees



## PERCENTAGE DISTRIBUTION BY PROFESSIONAL CATEGORY. CLH GROUP IN SPAIN

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Managers	0.8%	0.1%	0.9%	0.1%	1.0%	0.1%
Technicians	28.8%	9.8%	28.2%	10.3%	26.5%	10.4%
Administrative staff	2.4%	2.6%	2.0%	2.0%	1.5%	1.4%
Specialists and qualified operators	54.7%	0.9%	55.5%	0.9%	57.9%	1.2%

## ABSENTEEISM HOURS. CLH GROUP IN SPAIN

	2017 Hours		%	2018 Hours		%
Nominal hours	2,425,725.5			2,351,361		
Absenteeism Hours, non-work related accidents and common illness	97,898.5		4.04%	93,331		3.97%
Absenteeism Hours, work related accidents	4,932.5		0.20%	9,177.75		0.39%
<b>Total hours lost</b>	<b>102,831</b>		<b>4.24%</b>	<b>102,508.75</b>		<b>4.36%</b>
<b>Women</b>						
Nominal hours	321,485			308,020.25		
Absenteeism Hours, non-work related accidents and common illness	14,622		4.55%	16,180		5.25%
Absenteeism Hours, work related accidents	712.5		0.22%	457.5		0.15%
<b>Total hours lost</b>	<b>15,334.5</b>		<b>4.77%</b>	<b>16,637.5</b>		<b>5.40%</b>
<b>Men</b>						
Nominal hours	2,104,240.5			2,043,340.75		
Absenteeism Hours, non-work related accidents and common illness	83,276.5		3.96%	77,151		3.78%
Absenteeism Hours, work related accidents	4,220		0.20%	8,720.25		0.43%
<b>Total hours lost</b>	<b>87,496.5</b>		<b>4.16%</b>	<b>85,871.25</b>		<b>4.20%</b>



## Satisfactory working conditions

The CLH Group guarantees equal opportunities in access to a position or promotion. This commitment is materialised in the Equal Opportunities Plan for CLH and CLH Aviación and the Protocol for the prevention of harassment at work.

In 2018, CLH participated in the “Promociona” programme, which promotes the development of women in senior positions reinforcing its commitment to equality.

Also, in the last quarter of 2018, all the staff from CLH and CLH Aviación were asked to do an online course on “Gender equality and equal opportunities in CLH” through the CLH Campus.

The CLH Group in Spain provides the same base salary for all employees within each professional group and development level. The starting entry-level salary in the CLH Group for the lowest category is 19,936.74 euros per annum, which is more than double the minimum wage.

Differences in the wage ratio between men and women are not due to factors dependent on gender, but to the different lengths of service between the two groups, which will gradually be brought on par. This situation is mainly generated by the historical gender composition within the company, which translates into a higher average

length of service for men than women, in line with the context in the industry, and the performance of positions at different management levels.

### AVERAGE SALARIES BY CATEGORY. CLH GROUP IN SPAIN (€)

Category	Remuneration
Managers	103,958
Technicians	53,430
Administrative staff	51,882
Operators	41,374

	Men	Women
Minimum salary by gender CLH Spain (€)	19,937	23,624
Guaranteed minimum wage 2018 (€)	10,303	10,303
Ratio	194%	229%

### OTHER SALARY INDICATORS. CLH GROUP IN SPAIN

	2016	2017	2018
Ratio between the remuneration of the highest paid employee and the average received by the rest of the employees	13	13	13
Ratio between the remuneration of the highest paid employee and the remuneration of the lowest paid employee	22	22	21
Ratio between the increase in the remuneration of the highest paid employee and the average increase in the remuneration of all employees	0	0	0

### AVERAGE SALARIES BY AGE. CLH GROUP IN SPAIN (€)

Age	Remuneration
>50	81,530
30-50	48,569
<30	35,547

### GAP. CLH GROUP IN SPAIN (€)

Category	Men	Women	Gap
Managers*	112,097	79,683	-28.9%
Technicians	53,231	53,936	1.03%
Administrative staff	52,920	50,960	-12.6%
Operators	41,482	36,262	-3.7%

<sup>(1)</sup> Includes managers and staff outside agreement



## Attracting talent and career development

The CLH Group has various policies for attracting and retaining talent, training, career development and work-life balance, all focused on strengthening employee satisfaction, motivation and commitment.

The percentage of indefinite contracts in the CLH Group in Spain reached 83% in 2018. Such figure reaches 86% if the internship contracts are included. At the same time, the percentage of voluntary redundancies was 1.23%.

The average length of service per employee in Spain was 15 years, two less than in 2016, as a result of the staff turnover and rejuvenation process.

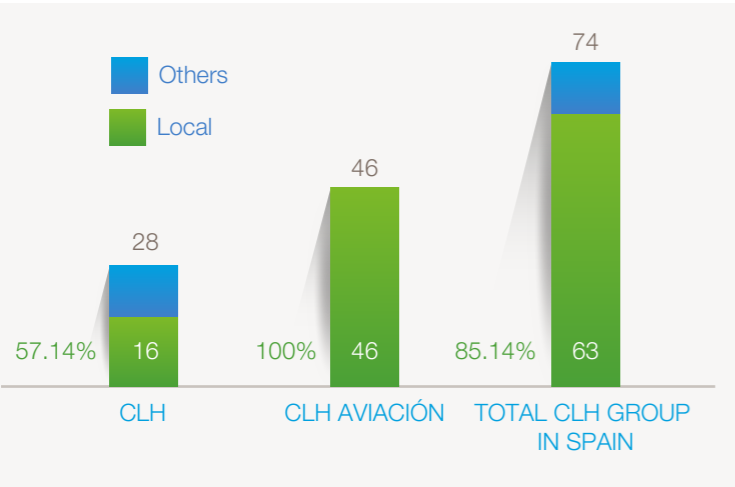
### COLLECTIVE BARGAINING. CLH GROUP IN SPAIN

	2016	2017	2018
Employees covered by collective agreements	1,166	1,140	1,088
Percentage	83%	83%	82%

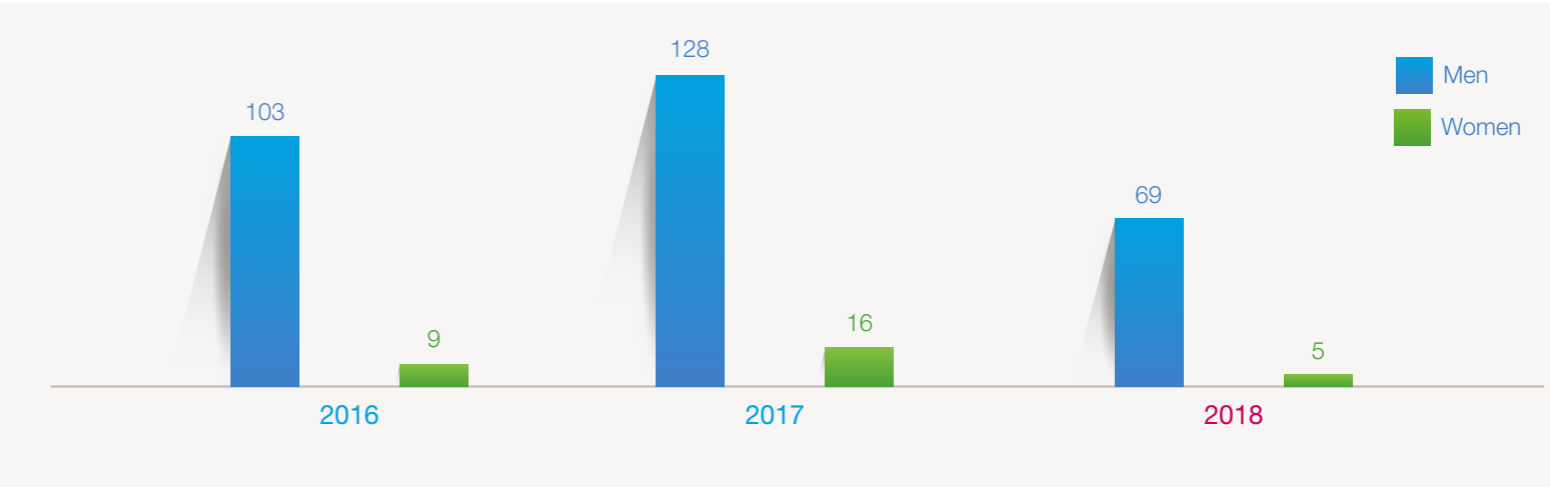
### AVERAGE LENGTH OF SERVICE. CLH GROUP IN SPAIN

	2016	2017	2018
Average length of service	17.2	15.7	14.8
Voluntary redundancy (undesired resignations)	0.50%	0.63%	1.23%

### HIRING OF STAFF. CLH GROUP IN SPAIN IN 2018



### NEW STAFF, BROKEN DOWN BY GENDER. TOTAL NEW HIRES. CLH GROUP IN SPAIN



## 2. Value creation among our stakeholders

## 38 Creating value for our employees



## REDUCTIONS IN THE STAFF, BROKEN DOWN BY GENDER. CLH GROUP IN SPAIN

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Total turnover	68	9	94	13	80	13
Turnover rate	6.6%	5.3%	9.5%	7.6%	8.5%	8.1%

## NEW STAFF BROKEN DOWN BY AGE GROUP. CLH GROUP IN SPAIN

	2016			2017			2018		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Total new hires	54	57	1	61	82	1	25	47	2

## REDUCTIONS BROKEN DOWN BY AGE GROUP. CLH GROUP IN SPAIN

	2016			2017			2018		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Total turnover	11	51	136	17	79	105	20	80	84
Turnover rate	7.3	6.5	29.2	11.0	9.8	27.6	15.5	9.2	26.6

## NUMBER OF DISABLED EMPLOYEES

	2016	2017	2018
Disabled employees	14	15	19

## NUMBER OF NON-VOLUNTARY REDUNDANCIES (DISMISSALS) BY GENDER, AGE RANGE AND PERSONAL CLASSIFICATION. CLH GROUP IN SPAIN

Men	2	Managers	1
Women	1	Technicians	1
30-50	2	Operators	1
>50	1		



## Recruitment of new talent

The selection processes at the CLH Group are based on objective, transparent criteria. Furthermore, the company is promoting actions for horizontal career development, promotions and appointments in order to strengthen the overall vision of the technical staff.

In Spain, 60 people worked as interns within the internship programme organised by the CLH Group every year.

The company promotes youth employment through its cooperation with different education centres (2017-2018 employment scholarships for Training on the Job/Dual Vocational Training) and participation in specialised forums, such as Induforum 2018 and Induempleo, organised by the Polytechnic University of Madrid.

CLH has also participated in the 2017-2018 Recruiting Erasmus programme, which promotes the attraction of international university talent, and in the second edition of “Sharing Talent”, a career development programme which encourages networking and the development of new skills through mentoring actions.

## Commitment to a flexible working environment

The CLH Group includes specific measures in its Human Resources policies and in its collective bargaining agreements in order to foster a flexible, open and tolerant working environment. These include the Work-Life Balance and Employment Flexibility policies, which aim to promote a balance between the work and personal life of the company's employees.

In Spain, the CLH Group offers around 60 social benefits and work-life balance measures, such as flexible scheduling, condensed working hours during the summer months, unpaid or extended leaves of absence to care for family members. The company also offers leaves of absence for longer periods than those established by law in the event of maternity leave, time off for feeding the baby, for the birth of a child or serious illness of family members, for moving house or attending exams.

Other significant initiatives are meal and child care vouchers, access to health insurance under advantageous conditions, advances and pension plans, in addition to a wide variety of financial assistance measures aimed at family members at school or university, encouraging employees to play sport or for disabled family members, among others.

Such measures have helped the CLH Group to earn the EFR (Family Responsible Company) certificate, with a rating of “B+ Proactive”.

The CLH Group includes specific measures in order to foster a flexible, open and tolerant working environment.

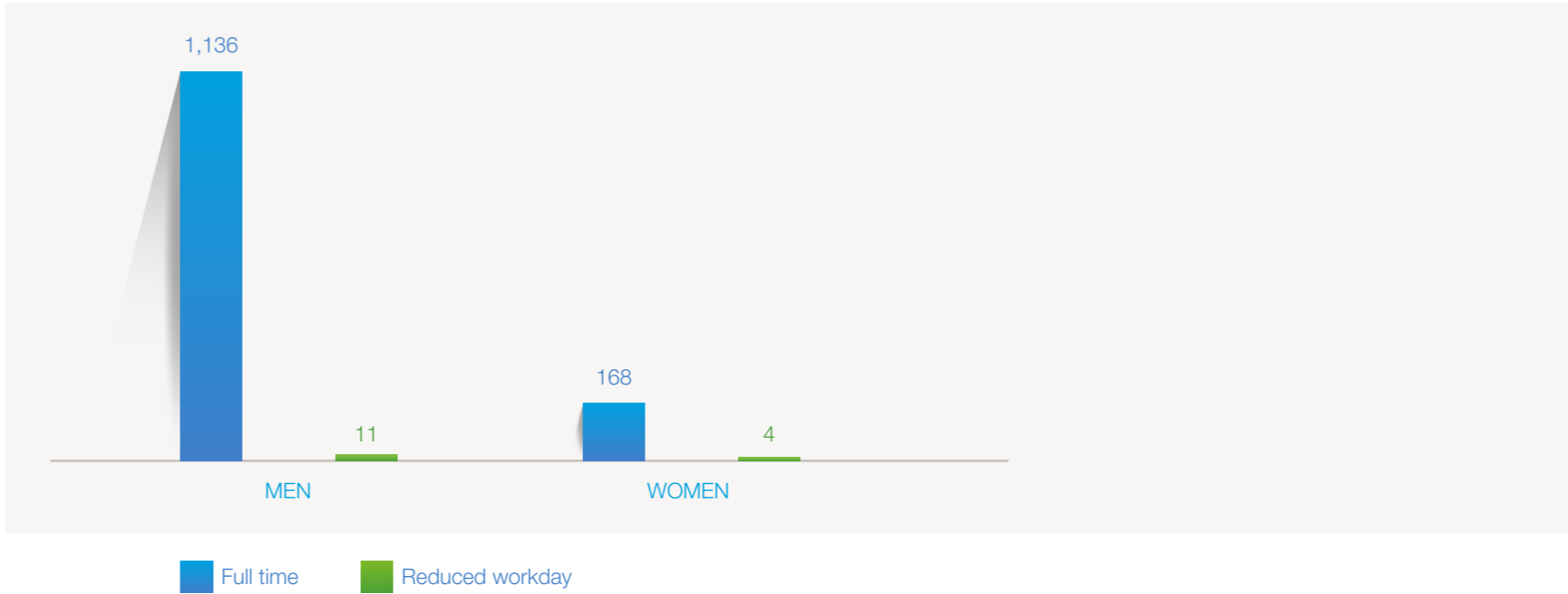


In Spain, the company offers leaves of absence for longer periods than those established by law in the event of maternity leave, time off for feeding the baby, for the birth of a child or serious illness of family members, for moving house or attending exams.

PARENTAL LEAVE. CLH GROUP IN SPAIN

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Number of employees entitled to leave	45	7	60	12	55	7
Number of employees who made use of their entitlement to leave	44	7	58	12	54	7
Number of employees who returned to work at the end of their leave	44	7	57	12	52	7
Number of employees who returned to work at the end of their leave and continued working twelve months after their return	42	7	57	12	51	7

NUMBER OF EMPLOYEES BY GENDER AND WORKING DAY. CLH GROUP IN SPAIN





## Career development model

The CLH Group regularly carries out career promotion and development activities based on a merit and effort recognition system. In Spain, a total of 46 people were promoted to positions with greater responsibility in 2018, while 150 others moved up to a higher level of development by complying with the procedures defined in the collective agreements.

### Performance assessment

In line with the best practices in the sector, the company conducts regular performance and career development assessments.

The CLH Group has a performance assessment model, MyMAP, which aims to engage employees in achieving strategic objectives and boost communication and teamwork.

This career development model is the same for everybody, regardless of their professional group, and assesses each person by means of a single assessment linked to talent management, training actions and career development, establishment of variable remuneration or reviewing the fixed remuneration of employees excluded from the collective agreement.

### PERFORMANCE ASSESSMENT. CLH GROUP IN SPAIN

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Active average staff (a)	1,209	185	1,231	188	1,198.29	179.96
Number of employees who receive a formal performance assessment and review during the period (b)	643	172	594	138	684	150
Percentage of employees receiving a formal performance assessment and review during the period (b/a)	53%	93%	68%	78%	57.08%	83.35%

### PERFORMANCE ASSESSMENT BROKEN DOWN BY PROFESSIONAL CATEGORY AND GENDER. CLH GROUP IN SPAIN

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Managers	11	1	11	2	11	1
Technicians	315	124	488	132	430	127
Administrative staff	26	43	26	43	0	0
Specialists and qualified operators	261	4	95	4	344	11



## Training

In 2018 the CLH Group invested over 700,000 euros in training activities. The company launched several innovative initiatives, including:

- Online course on “Gender equality and equal opportunities”. During 2018, a total of 759 people took this course, representing 55% of the average active workforce. This course will continue to be available in 2019.

- Online course on “Ethics, integrity and security at CLH”. In 2018, after reviewing the course contents, which cover matters on the code of conduct, ethics, criminal responsibility and information security, a new edition was launched with the participation of around 800 people, out of which a total of 605 completed the course. In total, taking into account those who completed the course in previous years, more than 1.050 people have attended this training.
- Environmental training. In 2018, awareness and training activities were conducted at facilities, including an online course on environmental management through CLH Campus, available to all company employees. Environmental training actions were also carried out for those employees directly dealing with these matters.

- Through the CLH Campus training platform, conduct in line with corporate values was further encouraged.
- On-site and online informative sessions on different computer programmes.
- Other tailor-made programmes: specific training management for the engineering section, safe software development for the IT management department and training on the new customs code for several management departments.

In 2018 the CLH Group invested over **700,000 euros** in training activities.

### INVESTMENT IN TRAINING. CLH GROUP IN SPAIN (Euros)

	2016	2017	2018
Investment per employee	599	576	516
Total investment	835,305	816,949	711,329

## 2. Value creation among our stakeholders

## 43 Creating value for our employees



In 2018, the CLH Group also organised training and career development programmes regarding the following matters:

- Launching of simulators for skills and competences through gamification techniques: conflict negotiation and resolution, leadership and team management, time management and staff productivity, and customer service.
- New training programme: “Managing change”
- New training programme on management leadership: “Keys for efficient leadership”, a programme aimed at strengthening leadership skills in management positions. These training actions will continue to expand in 2019.
- Online training through a leadership and team management simulator called “Pacific”, which uses methodologies based on learning through games and practical exercises.
- “One Team” training workshops, aimed at promoting customer-oriented cross-sectional cooperation and communication.
- Programmes aimed at personal development, such as “PDD in Company” and “Promociona”. Specifically, the “PDD in Company” programme, conducted in cooperation with the IESE Business School and other companies in the energy sector, had 10 participants from the CLH Group in 2018. As for the “Promociona” programme, it is managed by the ESADE

Business School and aims to promote the presence of women in corporate management committees.

- The “Sharing Talent” programme explains the best practices among a group of companies, as well as fostering skills improvement through mentoring and shadowing.

- Specific programmes to strengthen skills in communication, presentations, and speaking in public, as well as effective writing workshops.
- “Trainer Training” course aimed at providing the specific skills to train CLH professionals with talent.

## AVERAGE HOURS OF TRAINING BROKEN DOWN BY GENDER. CLH GROUP IN SPAIN

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
CLH	36	47	33	44	33	47
CLH Aviación	34	56	30	33	37	34
<b>CLH Group in Spain</b>	<b>36</b>	<b>47</b>	<b>32</b>	<b>43</b>	<b>34</b>	<b>46</b>

## AVERAGE HOURS OF TRAINING BROKEN DOWN BY GROUPS. CLH GROUP IN SPAIN

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Managers	85	128	88	114	90	135
Technicians	40	59	37	53	33	52
Administrative staff	15	8	12	5	13	6
Specialists and qualified operators	34	39	30	21	35	41



## Collective bargaining and participation

The CLH Group guarantees its staff the freedom to affiliate with associations and unions that defend and protect their rights, in accordance with the ten principles of the United Nations Global Compact.

The workers' representatives of the trade union sections are freely elected, fully respecting legality and the freedom to join a trade union. In addition, trade union sections and their representatives are guaranteed the right to exercise their functions of negotiation, participation and representation, according to the relevant laws and collective agreements.

In Spain, the CLH Group has two collective agreements regulating labour relations that affect all workers, except those whose employment conditions are set out in an individual contract, due to the nature or responsibilities of their position, and are therefore excluded from these agreements.

On 10 January 2018 the company and the union representatives signed a Partial Agreement formalising the terms agreed in December 2017, while at the same time executing a new agreement on the extension of the automatic renewal of the CLH 2010-2015 Collective Bargaining Agreement.

In turn, the company and the union representatives of CLH Aviación executed on 7 February 2018 a Memorandum of Agreement to end the negotiation of the 2015-2020 Collective Bargaining Agreement for CLH Aviación.

## We care for our employees. Health and Safety in the Workplace

Safety in the CLH Group is present in all its activities. The Joint Committee for Health and Safety is the equal representation body for CLH and CLH Aviación. Also, at the company's head office there is a Health and Safety Committee, and centres with more than 50 workers have a Local Health and Safety Committee. Furthermore, company employees are represented by prevention delegates at all work centres with more than six employees.

The company has an Occupational Risk Prevention Plan, which includes measures to guarantee the health and safety of everybody in the company.

The **Occupational Risk Prevention Plan** includes measures to guarantee the health and safety of everybody in the company.

## 2. Value creation among our stakeholders

## 45 Creating value for our employees



During 2018, the company continued to carry out an ergonomic training campaign to prevent postural risks, especially musculoskeletal disorders in into-plane fuelling operations. The courses were conducted at the busiest of the airport facilities, and involved the participation of ergonomics experts, who supported and advised the operators in the course of their activities.

In relation to this campaign, a series of videos for reinforcing and reviewing the contents of the course were recorded and distributed.

These actions are in addition to others that were already underway, such as the “5.5 Chats”, which aim to address safety for five minutes on the fifth of each month; or the “One Accident is One Too Many” campaign, which encourages the company staff to cooperate by flagging up any situation that may cause a mishap, however small.

Likewise, the CLH Group has continued to closely monitor and investigate accidents and near misses, in order to continue fostering accident prevention and the design of training and information activities.

## NUMBER OF ACCIDENTS AND EVOLUTION OF THE FR (FREQUENCY RATE)

	2017			2018		
	CLH	Men	Women	CLH	Men	Women
Average workforce	1,432.83	1,243.27	189.56	1,378.25	1,198.29	179.96
Hours worked	2,281,126.25	1,979,333.25	301,793.00	2,237,996.67	1,897,247.24	289,277.18
Accidents with leave	7	7	0	7	7	0
Accidents without leave	1	1	0	1	1	0
No. of working days lost	253	253	0	172	172	0
FR (Frequency Rate) for every 200,000 hours worked	0.61	0.70	0	0.63	0.72	0.00
FR (Frequency Rate) for every 1,000,000 hours worked	3.07	3.54	0.00	3.13	3.60	0
TFR (Total Frequency Rate) for every 200,000 hours worked	0.61	0.70	0.00	0.71	0.82	0.00
TFR (Total Frequency Rate) for every 1,000,000 hours worked	3.51	4.04	0.00	3.57	4.12	0
SR (Severity Rate) for every 1,000 hours worked	0.11	0.13	0.00	0.08	0.09	0.00



## ACCIDENT FREQUENCY RATE. CLH GROUP IN SPAIN

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Accident Frequency Rate <sup>(1)</sup> (with leave)	5.09	0	3.54	0	0.72	0
Accident Severity Rate <sup>(2)</sup>	0.12	0	0.13	0	0.09	0

<sup>(1)</sup> Accident Frequency Rate: Number of accidents involving sick leave for every million hours worked.

<sup>(2)</sup> Accident Severity Rate: Number of calendar days lost due to accidents involving sick leave for every thousand hours worked.

## SAFETY TRAINING. CLH GROUP IN SPAIN

	2016	2017	2018
Safety training (hours)	9,725	9,948	9,818
Attendees (no. of people)	1,957	2,251	1,720
Prevention training (basic level) (hours)	7,238	4,708	4,609
Attendees (no. of people)	1,281	645	973
Investment (thousand euros)	175.9	134.1	163.2

## Promoting health at the workplace

The CLH Group continued to promote various actions throughout 2018 to encourage healthy lifestyles among the company's staff and their families.

As part of our Health & Safety Programmes, matters relating to industrial safety, cybersecurity, health, innovation, and safety-related environmental matters are disclosed on a weekly basis over the corporate intranet and other internal communication tools.

Moreover, on the occasion of the International Occupational Health and Safety Day on 28 April 2018, a series of activities were carried out during the week of 23 to 27 April, highlighting the following:

- Advertising elements: Posters on the intranet and other poster elements on the Corporate Portal and TEC microsite. Also, posters on spillage were published.
- Testimonial videos to raise awareness on the correct use of personal protective equipment.

- A motivational video to promote a culture of safety among all company staff.
- A short story contest on personal and working experiences and events, where prevention made a difference.
- A theatre workshop with safety playing the lead role.



## Information on the performance of international businesses in Human Resources

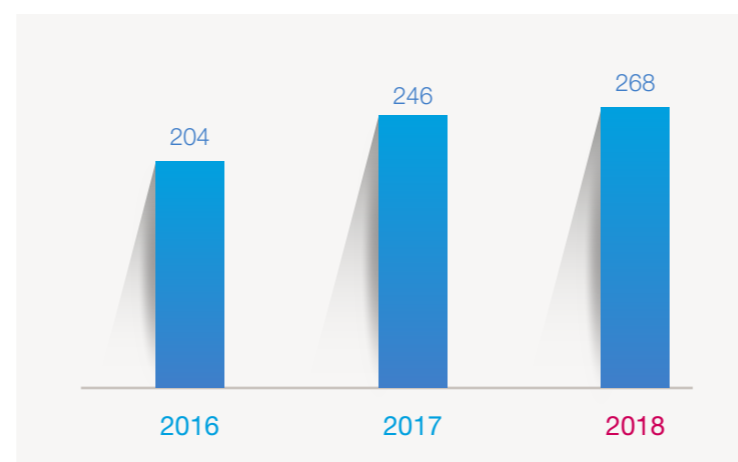
The CLH Group is committed to extending the principles of its Human Resources Policy in Spain –equal opportunities, diversity, fair remuneration and career development– to all of its international businesses, while adapting them to the conditions and characteristics of each country, aimed at ensuring the best working conditions and attracting and retaining talent.

This chapter shows the indicators relating to the management of Human Resources in United Kingdom, Ireland and Panama. We will continue to expand this information in upcoming reports, as we finish implementing the required procedures to be able to gather it.

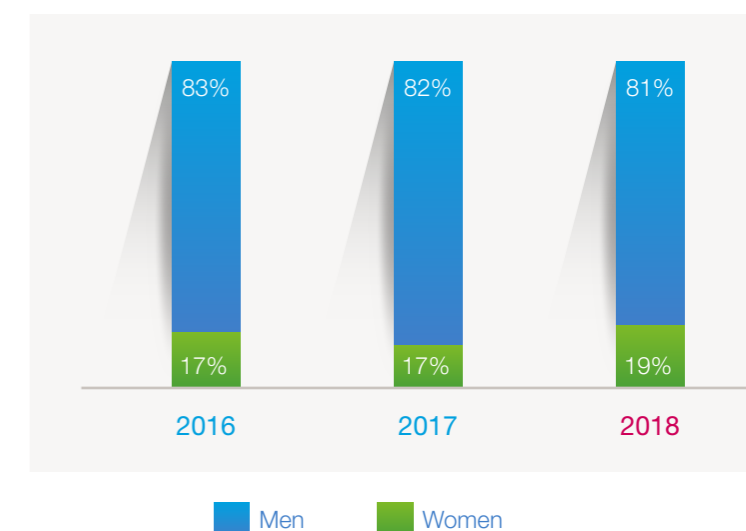
The information included in this section is not subject to external verification.

### United Kingdom

EVOLUTION OF THE WORKFORCE.  
NUMBER OF EMPLOYEES. CLH-PS



PERCENTAGE DISTRIBUTION OF THE WORKFORCE  
BY GENDER. CLH-PS



PERCENTAGE DISTRIBUTION BY TYPE OF CONTRACT, BROKEN DOWN BY GENDER. CLH-PS

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Permanent	81.8%	15.6%	78.8%	14.2%	79.1%	16.4%
Others	1.47%	0.98%	3.25%	3.65%	1.11%	1.49%

OTHER INDICATORS OF WORKFORCE DIVERSITY. CLH-PS

	2016	2017	2018
% international employees	4.9%	4.8%	5.9%
Average age	59.9	47.5	52.8
% women in new hires for technical positions	0.0%	0.0%	0.0%

## 2. Value creation among our stakeholders

## 48 Creating value for our employees



## PERCENTAGE DISTRIBUTION BY PROFESSIONAL CATEGORY. CLH-PS

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Managers	0.98%	0.49%	2.03%	0.40%	1.49%	0.37%
Technicians	9.31%	0.00%	8.13%	0.00%	8.13%	0%
Administrative staff	0.00%	6.86%	0.0%	6.09%	0.00%	5.69%
Specialists and qualified operators	33.82%	1.47%	31.3%	1.21%	29.10%	0.74%

## NEW PERMANENT STAFF, BROKEN DOWN BY GENDER. CLH-PS

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Total new hires	176	28	13	7	36	10

## NEW PERMANENT STAFF BROKEN DOWN BY AGE GROUP. CLH-PS

	2016			2017			2018		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Total new hires	12	80	112	2	15	3	11	18	17

## REDUCTIONS IN THE PERMANENT STAFF BROKEN DOWN BY AGE GROUP. CLH-PS

	2018		
	<30 years	30-50 years	>50 years
Total turnover	2	10	19
Turnover rate	—	—	—

## AVERAGE LENGTH OF SERVICE. CLH-PS

	2016	2017	2018
Average length of service	7.49	8.34	8.04
Voluntary redundancy (undesired resignations)	—	—	7.09%

## REDUCTIONS IN THE PERMANENT STAFF, BROKEN DOWN BY GENDER. CLH-PS

	2018	
	Men	Women
Total turnover	13	6
Turnover rate	—	—

## 2. Value creation among our stakeholders

## 49 Creating value for our employees



## PARENTAL LEAVE. CLH-PS

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Number of employees entitled to leave	100%	100%	100%	100%	100%	100%
Number of employees who made use of their entitlement to leave	–	2	–	–	1	4
Number of employees who returned to work at the end of their leave	–	2	–	–	1	2
Number of employees who returned to work at the end of their leave and continued working twelve months after their return	–	1	–	–	1	2

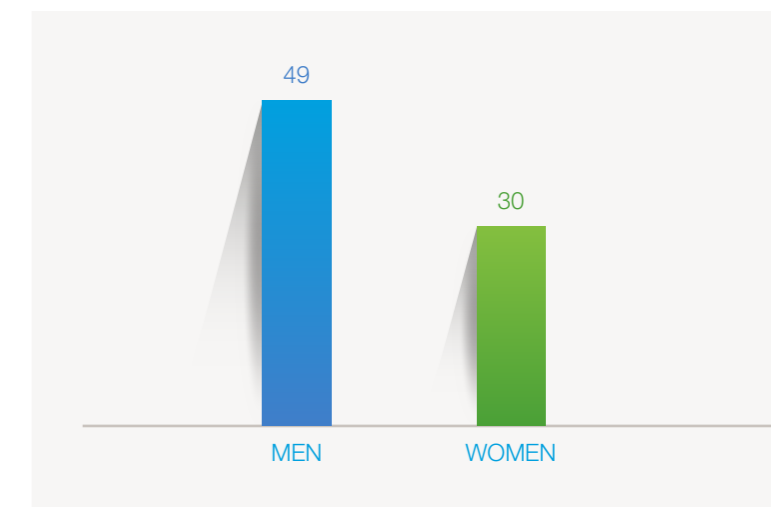
## TRAINING INVESTMENT. CLH-PS (€)

	2018
Investment per employee	1,794
Total investment	480,868

## PERFORMANCE ASSESSMENT. CLH-PS

	2018	
	Men	Women
Average active staff (a)	215	48
Number of people receiving a formal performance assessment and review during the period (b)	215	48
Percentage of people receiving a formal performance assessment and review during the period (b/a)	100%	100%

## AVERAGE HOURS OF TRAINING BROKEN DOWN BY GENDER. CLH-PS. 2018





## AVERAGE HOURS OF TRAINING BROKEN DOWN BY GROUPS. CLH-PS

	2018	
	Men	Women
Managers	23	56
Technicians	60	60
Administrative staff	8	8
Specialists and qualified operators	–	–

## ACCIDENT FREQUENCY RATE. CLH-PS

	2017		2018	
	Men	Women	Men	Women
Accident Frequency Rate <sup>(1)</sup> (with leave)	9.83	0	4.22	0
Accident Severity Rate <sup>(2)</sup>	0.22	0	0.05	0

<sup>(1)</sup> Accident Frequency Rate: Number of accidents involving sick leave for every million hours worked.

<sup>(2)</sup> Accident Severity Rate: Number of calendar days lost due to accidents involving sick leave for every thousand hours worked.

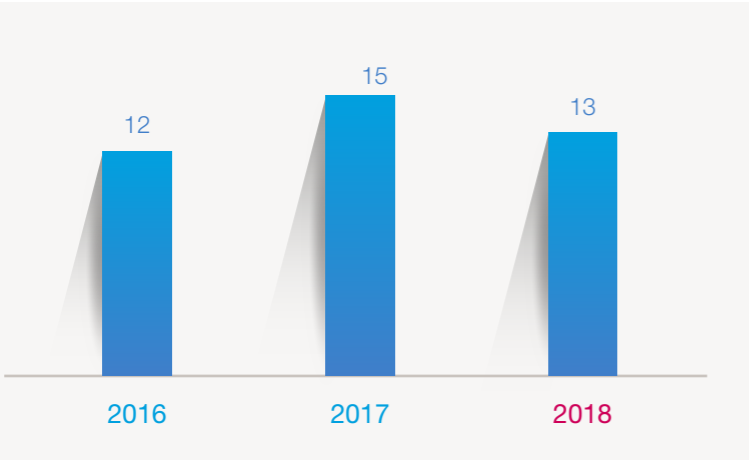
## SAFETY TRAINING. CLH-PS

	2016	2017	2018
Safety training (hours)	9,366	9,725	9,948
Attendees (no. of people)	1,827	1,957	2,251
Prevention training (basic level) (hours)	4,223	7,238	4,708
Attendees (no. of people)	560	1,281	645
Investment (thousand euros)	160.4	175.9	134.1

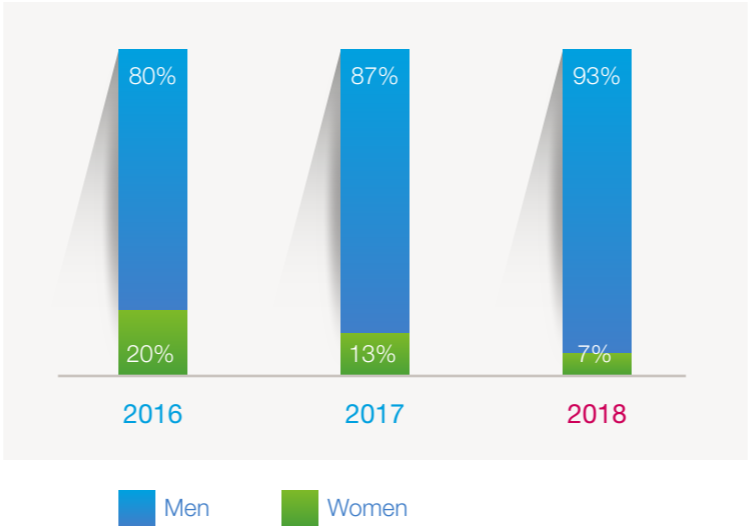


Ireland

EVOLUTION OF THE WORKFORCE.  
NUMBER EMPLOYEES. CLH AVIATION IRELAND



PERCENTAGE DISTRIBUTION OF THE WORKFORCE  
BY GENDER. CLH AVIATION IRELAND



PERCENTAGE DISTRIBUTION BY TYPE OF CONTRACT.  
CLH AVIATION IRELAND

	2018
Permanent	100%
Others	0%

PERCENTAGE DISTRIBUTION BY TYPE OF CONTRACT, BROKEN DOWN BY GENDER. CLH AVIATION IRELAND

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Permanent	100%	100%	100%	100%	100%	100%
Others	0%	0%	0%	0%	0%	0%

OTHER INDICATORS OF WORKFORCE DIVERSITY. CLH AVIATION IRELAND

	2016	2017	2018
% international employees	16.6%	26.6%	7.6%
Average age	—	—	—
% women in new hires for technical positions	—	—	—

## 2. Value creation among our stakeholders

## 52 Creating value for our employees



## PERCENTAGE DISTRIBUTION BY PROFESSIONAL CATEGORY. CLH AVIATION IRELAND

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Managers	8%	0%	8%	0%	7%	0%
Technicians	17%	0%	9%	0%	16%	0%
Administrative staff	8%	0%	8%	0%	0%	7%
Specialists and qualified operators	59%	8%	67%	8%	70%	0%
Specialists and qualified operators	–	–	–	–	90.1%	0.7%

AVERAGE LENGTH OF SERVICE.  
CLH AVIATION IRELAND

	2016	2017	2018
Average length of service	0	0.5	1
Voluntary redundancy (undesired resignations)	5	1	3

## NEW PERMANENT STAFF, BROKEN DOWN BY GENDER. CLH AVIATION IRELAND

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Total new hires	10	2	1	0	3	0

## TRAINING INVESTMENT. CLH AVIATION IRELAND (€)

	2016	2017	2018
Investment per employee	1,500	2,600	1,800

## REDUCTIONS IN PERMANENT STAFF, BROKEN DOWN BY GENDER. CLH AVIATION IRELAND

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Total turnover	5	0	–	–	4	1
Turnover rate	–	–	–	–	–	–

## 2. Value creation among our stakeholders

## 53 Creating value for our employees

NEW PERMANENT STAFF BROKEN DOWN BY AGE GROUP.  
CLH AVIATION IRELAND

	2016			2017			2018		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Total new hires	5	7	0	0	1	0	0	2	1

REDUCTIONS IN PERMANENT STAFF BROKEN DOWN BY AGE GROUP.  
CLH AVIATION IRELAND

	2016			2017			2018		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Total turnover	4	1	0	0	0	0	1	4	0
Turnover rate	–	–	–	–	–	–	–	–	–

## PERFORMANCE ASSESSMENT. CLH AVIATION IRELAND

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Average active staff (a)	10	2	13	2	12	1
Number of employees receiving a formal performance assessment and review during the period (b)	10	2	13	2	12	1
Percentage of employees receiving a formal performance assessment and review during the period (b/a)	1	1	1	1	100%	100%

## PERFORMANCE ASSESSMENT BY PROFESSIONAL CATEGORY AND GENDER. CLH AVIATION IRELAND

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Managers	1	0	1	0	1	0
Technicians	2	0	2	0	2	0
Administrative staff	0	1	0	1	0	1
Specialists and qualified operators	7	1	10	1	9	0

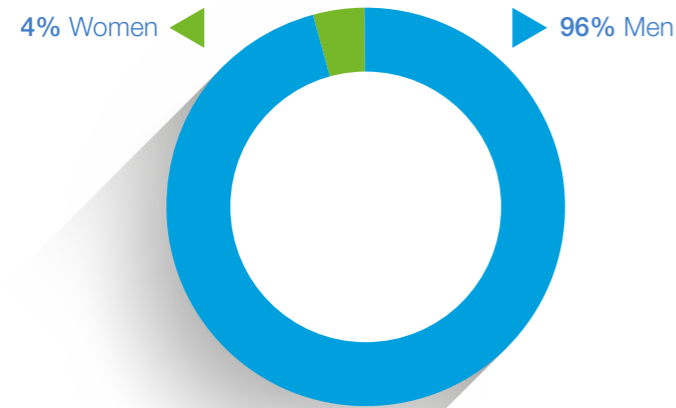


Panama

EVOLUTION OF THE WORKFORCE.  
CLH PANAMÁ

	2018
Number of employees	132

PERCENTAGE DISTRIBUTION OF THE WORKFORCE  
BY GENDER. CLH PANAMÁ



PERCENTAGE DISTRIBUTION BY TYPE OF CONTRACT,  
BROKEN DOWN BY GENDER. CLH PANAMÁ

	2018	
	Men	Women
Permanent	6%	4%
Others	87%	3%

PERCENTAGE DISTRIBUTION BY PROFESSIONAL  
CATEGORY. CLH PANAMÁ

	2018	
	Men	Women
Managers	1.5%	1.5%
Technicians	4%	0.8%
Administrative staff	0.7%	0.7%
Specialists and qualified operators	90.1%	0.7%

OTHER INDICATORS OF WORKFORCE DIVERSITY.  
CLH PANAMÁ

	2018
% international employees	11%
Average age	45
% women in new hires for technical positions	33%

ACCIDENT FREQUENCY RATE. CLH PANAMÁ

	2018	
	Men	Women
Accident Frequency Rate <sup>(1)</sup> (with leave)	0	0
Accident Severity Rate <sup>(2)</sup>	0	0

<sup>(1)</sup> Accident Frequency Rate: Number of accidents involving sick leave for every million hours worked.  
<sup>(2)</sup> Accident Severity Rate: Number of calendar days lost due to accidents involving sick leave for every thousand hours worked.



# We generate value for our customers

The CLH Group works to meet customer expectations, offering services that are adapted to their needs and improving existing ones.

## Quality and management systems

The company has an Integrated Management System that covers all the processes and activities of all the companies belonging to it. This system is continuously improved through the ongoing review of its component processes and the incorporation of new, successful practices.

The CLH Group holds several certifications on quality:

- **ISO 9001 quality certification for all its activities.** The company renewed this distinction for CLH in Spain. It also renewed ISO 9001 certification for CLH-PS in the UK, and obtained it for the first time for CLH Aviation Ireland in Ireland.
- **ISO/IEC 17025** accreditation for its Central Laboratory and Metrology Laboratory.
- **Quality certifications at the port facilities** of Barcelona, Palma de Mallorca, Cartagena, Gijón, Motril, Algeciras and Bilbao, according to quality benchmarks applicable in each case.

In 2018 the CLH Group continued its analysis of fuel quality at service stations in Portugal and conducted a similar analysis in the Spanish regions of Catalonia and La Rioja.

The CLH Group is a member of associations relating to quality, excellence and innovation, where it contributes its knowledge and expertise. Among other associations, the company is a member of AENOR (the Spanish Association for Standardisation and Certification), ENAC (the Spanish National Accreditation Body), AEC (the Spanish Association for Quality), the LEAN Community Group and the Spanish Club for Excellence in Management (CEG) and its working group, Benchmarking 500+.

In this regard, the CLH Group maintained an active presence in working groups such as the AENOR AEN/CTN051/SC3 group, which is responsible for updating fuel and biofuel specifications, or the European fuel technology and standardisation groups CEN WG 21 Specification for unleaded petrol, and WG 24 Specification for diesel fuel.



CLH is also a member of the Energy Institute and is a member of the following committees:

- Aviation Committee.
- Aviation Fuel Filtration Committee.
- Equipment Sub-Committee.
- Hydrant Sub-Committee.
- Operations Sub-Committee.
- Sensors Sub-Committee - Supply Chain Fuel Quality Sub-Committee.

CLH Aviación is an IATA Strategic Partner, and cooperates in the Fuel Services and Fuel Technical groups. It is also a member of JIG (Joint Inspection Group), where it has an active presence in the Operations Committee, which is in charge of reviewing and updating industry standards on aviation fuel handling and quality control, and in the Technical Forum. In addition, it is an affiliate member of ALTA (Latin American and Caribbean Air Transport Association).

## Commercial offer

The CLH Group provides logistics services to the main players in the liquid fuels market, and offers its customers a wide range of services related to oil product and biofuel storage and transportation, as well as the supply of fuels for aviation. It also focuses on getting to know customers' expectations and offering products and services that meet their needs.

In Spain, the company has a biofuel certification management system that is compliant with Circular 1/2016 of 30 March published by the National Markets and Competition Commission (CNMC), which regulates, among other aspects, the sustainability of the biofuels offered for sale or consumed in the domestic market. In addition, it has obtained the ISCC (International Sustainability and Carbon Certification) at different storage facilities. In 2018, CLH developed services aimed at promoting the use of biofuels by its customers.

In Spain, the company has a biofuel certification management system and the ISCC certification at different storage facilities.



## COMMERCIAL OFFER OF THE CLH GROUP

1. Storage, transport and distribution of oil products on mainland Spain and the Balearic Islands, guaranteeing free access to the logistics system by third parties.
2. Strategic and security storage.
3. Storage in segregated tanks.
4. Blending of elements and products to obtain retail products.
5. Storage services and handling of products with differentiated specifications, adapting to customer needs and service demands.
6. Quality assurance and control of the product stored by the CLH Group through a laboratory network.
7. Advice and services relating to product quality.
8. Advisory services on metrology and calibration.
9. Environmental analyses.
10. Injection of additives for quality and property enhancement to oil products dispatched.
11. Biofuel transport, storage and dispatch.
12. Biofuel certification system for transportation purposes.
13. Tailored product storage, blending and dispatch services.
14. Storage, distribution and supply (into-plane service) of aviation fuel and lubricants for aircraft.
15. Advice and technical assistance for the installation and maintenance of distribution networks for different types of aviation fuels.
16. Advice and technical assistance for the design, construction, maintenance and operation of hydrant networks and storage facilities, in addition to the design of specific vehicles for fuel supply to aircraft.
17. Inspection and advisory services for the management of aviation fuel storage and supply facilities.
18. Training for fuel supply handling operations to aircraft.
19. Services for blending components to obtain products with specifications of a higher value than those of their elements.



## Innovation to improve

The CLH Group continued to promote the incorporation of the latest technologies through the gradual digitalisation and automation of its facilities, thus increasing the speed, flexibility and safety of its operations.

Helping to identify opportunities for improvement affords leverage for ongoing improvements at a corporate level, as well as promoting the engagement and commitment of the staff. In 2018, the company continued to give prizes for the best suggestions made, including a new prize for each contribution received for promoting participation.

Also, in 2018 the company continued its progress in streamlining and improving efficiency in internal processes, applying methodologies such as LEAN and 6-SIGMA, and created a dedicated organisational unit for these duties.

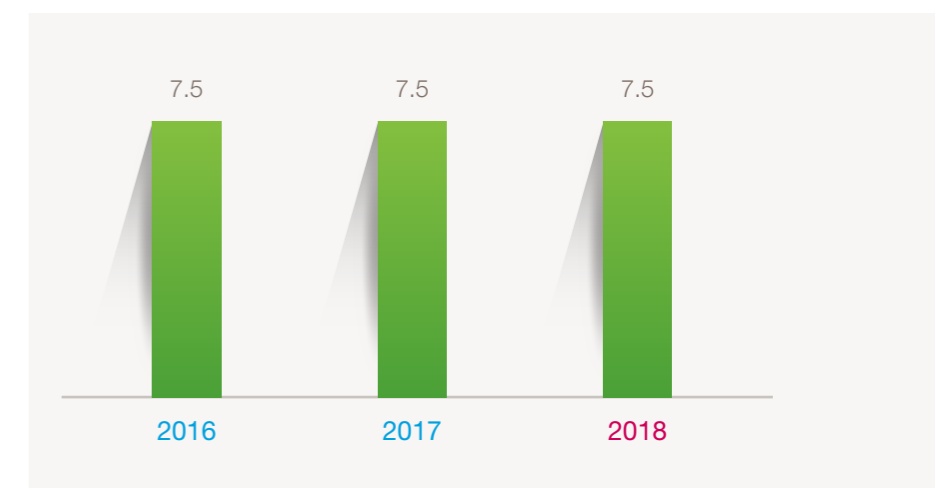
The CLH Group has an Innovation Management System designed according to the characteristics of the company and its sector, which includes the latest methodologies and tools for managing the process. The investment in R&D amounted to approximately 7.5 million euros in 2018 and was mainly targeted at the following areas:

- Transportation by pipeline.
- Storage and dispatch of liquid bulk products.
- Fuel and additive technology.
- Hydrocarbon metrology.
- Environmental technologies.
- Safety technologies.
- Industrial automation.
- Information and communication technologies.

The major projects addressed this year included:

- A research project on microbiological contamination in aviation fuels, financed by the EU within the H2020 Programme.
- A comprehensive project on asset integrity management.

INVESTMENT IN INNOVATION.  
CLH GROUP IN SPAIN (Million euros)





## Relationship with our customers

Because of the special characteristics of its operations, the CLH Group has a small number of customers with whom it keeps in direct and constant contact, which allows it to have detailed knowledge of their needs and expectations.

Customer satisfaction is also a priority for CLH Aviación, its customers are not always the end users (mainly airlines) because the commercial relationship is often established with the oil operators which are, in turn, the owners of the product.

In 2018 CLH Aviación consolidated its commercial relationships with its main customers and continued its efforts to garner new direct contracts with airlines.

Furthermore, the number of airlines and airports to which the trip-check service is provided (management of the load control systems of aircraft fuel tanks) has continued to increase.

In 2018, CLH Aviación started to manage the fuel supply to BP customers at different airfields, thereby developing closer relations with its customers, and it also manages the supply at INTA (Spanish National Institute of Aerospace Technology) facilities.

### Protection of commercial data and communications

#### CLH

In Spain, CLH handles commercial information through the Operator Information System (SIO, acronym in Spanish) which makes it possible to guarantee the confidentiality of customer information.

During 2018, no breach of rules or voluntary codes was identified with regard to commercial communications, including advertising, promotion and sponsorship.

Likewise, no breach was identified in relation to the information reported by the company on the services provided, and no claims were received with regard to the privacy or personal data of its customers.

#### CLH Aviación

As for CLH Aviación, claims about its services can be received in any area, either directly at airports or at the head offices through the “Request Management System”, a tool that serves as a means of communication between the company and its customers.

In 2018, CLH Aviación continued with its incident identification policy aimed at offering a solution before a complaint is received from the customer.

In any case, all complaints received are analysed to determine their causes, to respond to the customer and report on the remedial measures. In addition, they are incorporated into a database for possible future reference.

The CLH Group keeps in direct and constant contact with its clients, which allows it to have detailed knowledge of their needs and expectations.



# Creating value for our suppliers

The CLH Group works to extend its vision in corporate social responsibility to its supply chain.

## Responsible purchasing model

The CLH Group has a responsible purchasing model in place that is adapted to the characteristics of its activities. This model extends the commitments that the CLH Group acquires regarding corporate social responsibility to the entire supply chain.

In Spain, the company successfully implemented a new purchasing procedure in 2018 that enables negotiations to be made with suppliers through an auditable digital platform, which ensures maximum transparency, traceability and equal opportunities. This new system impacts over 60% of the purchases made by the company.





## The supply system in the CLH Group

In Spain, a total of 1,095 suppliers were part of the supply chain of the CLH Group in 2018, providing the products and services necessary for the company to perform its activities.

For these purposes, partner companies are those from which the CLH Group makes purchases for an amount of over €3,000.

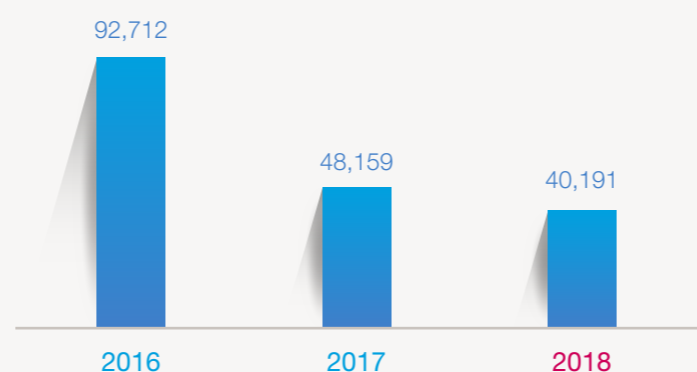
In 2018, the company increased the number of suppliers certified in corporate social responsibility and family-responsible matters (EFR) by 400%, from 29 partner companies in 2017 to 107 in 2018.

Another significant feature of the purchasing and contracting model of the CLH Group is its commitment to local suppliers. Therefore, in 2018, 96% of purchases were made from local suppliers. (including suppliers of amounts under 3,000 euros).

### KEY FIGURES OF THE CLH GROUP'S SUPPLY CHAIN IN SPAIN. 2018

- 1,095 companies with invoicing of over €3,000 make up the supply chain.
- 119 supplier companies are considered strategic according to the RePro system.
- The average period for effecting payment to suppliers is less than 60 days.
- Tenders have been awarded for an amount of 40 million euros, of which 34% corresponds to materials and 66% to services.
- 98 suppliers have been assessed on environmental matters.
- 115 supplier companies have quality management systems in place.
- 92 suppliers are certified in prevention matters.
- 107 suppliers are certified in CSR + Family-responsible matters.

### AWARD OF MATERIALS PURCHASES AND SERVICE CONTRACTING IN SPAIN (thousand euros)





## Supplier approval

In the CLH Group, the first step in the supplier approval process involves gathering the initial requirements from the partner company, and later, collecting information from those suppliers that are considered critical or strategic.

Through the RePro system, the company identified 119 companies that qualified as strategic in Spain. Such companies mainly provide electricity and telecommunications services to the company. Suppliers of additives for oil products and of materials relating to hydrocarbon transport and infrastructures (such as tanks, piping and valves) are also especially relevant.

CLH also conducts additional analyses that include, according to the company type, aspects such as respect for freedom of association, the right to collective bargaining and the fight against child and forced labour.

- **All suppliers and contractors**

Must adhere to the CLH Group's Safety Policy in order to work with the company, thus agreeing to follow occupational health and safety criteria in their operations.

- **Suppliers of materials related to critical equipment**

Are subjected to an assessment of the first purchase and continued assessment thereafter, with the purpose of ensuring that they are capable of supplying the materials according to the specified requirements and verifying compliance over time.

- **Critical or strategic suppliers**

Are assessed according to environmental, social and ethical criteria, and then again in every purchase.

- **Partners considered strategic**

Must perform a self-assessment before approval through a questionnaire covering the most relevant aspects regarding management of corporate social responsibility matters.

Additionally, the CLH Group has developed a specific set of rules for managing ethics and integrity in its supply chain, which is aligned with the United Nations Global Compact. It includes the following documents:

- **Suppliers' Ethics Code:** it contains the principles that underpin the relationship with suppliers, inspired by the mission, vision and values of the company and the main ethics and sustainability codes recognised internationally.
- **Ethics Code of the Purchase Function:** it includes the essential ethical principles to be taken into account in performing purchasing duties.
- **Ethics Code or Rules for Purchasing:** it defines the way a purchaser should behave, inspired by the principles applied by the main purchasing associations, both at a national and international level (IFSM, AERCE).

In 2018 the company reviewed the supplier approval and warehouse management processes, aiming at improving in efficiency, to which end it is planning to promote different actions in Spain during 2019.

One of the most significant actions will be the implementation of purchasing by category, an improvement that will reduce the supply chain and improve the supplier approval process and assessment in the main activities of the company.



## Communication with suppliers

The CLH Group made over 400 requests for bids in Spain during 2018 using its digital platform as a negotiation tool, which ensures simultaneous communication with all suppliers, as well as transparency, equal opportunities and free competition.

In this manner, all the documentation that the company requires from its partners is sent in electronic format, which enhances information management security, decreases consumption of paper and improves the efficiency of the process.

As a key form of communication with internal customers and suppliers, CLH has also established a purchasing inbox managed by its own personnel, which makes it possible to centralise the company's needs and give a more effective response.

The Purchasing Section monitors suppliers to control their performance and check the degree of satisfaction of internal customers with regard to both the services provided and overall contract management.

## Promoting safe practices in the value chain

The CLH Group's commitment to safety also covers contractors, suppliers and customers, as well as the local communities that surround the facilities.

As such, all suppliers and contractors must adhere to the Safety Policy of the CLH Group, and during the approval process a significant part of the analysis is related to their conduct in occupational health and safety matters.

Furthermore, the company monitors the accident rate figures of its contractors, and when an incident occurs, it expressly requests an investigation of the causes and circumstances. These incidents are analysed by the Sub-committee for Accident Investigation of the Joint Committee for Health and Safety.

### CONTRACTOR ACCIDENT RATES IN SPAIN

	2016	2017	2018
Accident Frequency Rate <sup>(1)</sup> (with leave)	6.01	3.58	1.08
Accident Severity Rate <sup>(2)</sup>	0.06	0.04	0.001

<sup>(1)</sup> Accident Frequency Rate: Number of accidents involving sick leave for every million hours worked.

<sup>(2)</sup> Accident Severity Rate: Number of calendar days lost through accidents involving sick leave for every thousand hours worked.



## Information on the performance of international businesses in their supply chains

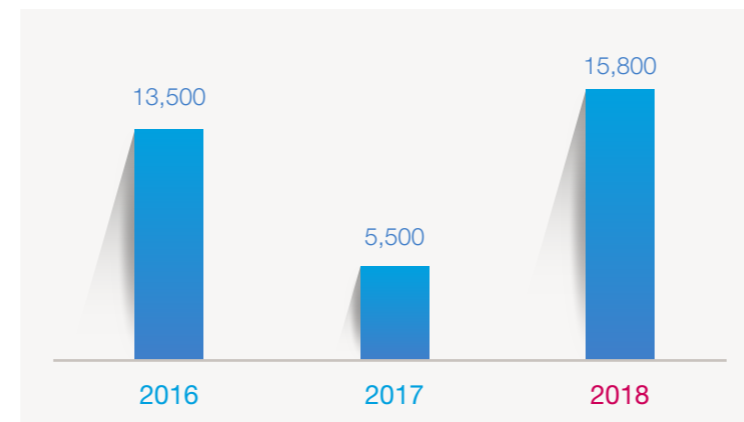
We strive to extend our responsible purchasing model to the companies that belong to the CLH Group and to convey our vision of CSR to all our international suppliers, while adapting to the conditions and characteristics of the country where they are located.

This section shows the main indicators relating to our suppliers in the United Kingdom and Panama. In upcoming reports, we will expand this information as we finish implementing the required procedures to be able to gather it.

The information included in this section is not subject to external verification.

### United Kingdom

#### MATERIALS PURCHASES AND SERVICE CONTRACTING AWARDED IN UNITED KINGDOM (Thousand euros)



#### CONTRACTOR ACCIDENT RATE IN UNITED KINGDOM

	2018
Accident Frequency Rate <sup>(1)</sup> (with leave)	0.43
Accident Severity Rate <sup>(2)</sup>	
Major Injuries Average	0.5
Accident Severity Rate <sup>(2)</sup>	
Dangerous occurrences average	0.9

### Panama

#### MATERIALS PURCHASES AND SERVICE CONTRACTING AWARDED. CLH PANAMÁ (thousand euros)

	2016	2017	2018
Purchases	—	—	7,500

#### CONTRACTOR ACCIDENT RATE IN PANAMA

	2016	2017	2018
Accident Frequency Rate <sup>(1)</sup> (with leave)	----	----	0
Accident Severity Rate <sup>(2)</sup>	----	----	0

<sup>(1)</sup> Accident Frequency Rate: Number of accidents involving sick leave for every million hours worked.

<sup>(2)</sup> Accident Severity Rate: Number of calendar days lost through accidents involving sick leave for every thousand hours worked.



# Creating value in society

## Relations with the community

The Social Responsibility Policy of the CLH Group is based on establishing relationships of trust and cooperation with society in the areas where our infrastructures are located in order to gain better knowledge of local needs and contribute to development.

Maintaining fluid communication with stakeholders also favours a better understanding of the economic and social value generated by the company, assists understanding of its functioning and even contributes to identifying new business opportunities.

## Contribution to the wellbeing and development of our communities

Every year, through its Social Action Plan, the CLH Group supports projects related to integration, the environment, culture and economic and social development and entrepreneurship.

The CLH Group has a specific form on its website for organisations that are interested in requesting the company's cooperation. All the proposals received are studied and preference is given to those that are implemented in one of the towns where the company's infrastructures are located.

To supervise the development of these projects and analyse their impact on society, CLH has a Corporate Responsibility Committee, formed by members of different management departments.



### Support for volunteering

One of the main initiatives contained in the Social Action Plan is the “Voluntarily” programme, through which the company participates in projects developed voluntarily by employees, in collaboration with an NGO.

Within this programme, the company cooperated in 2018 with the Spanish Stammering Foundation, the Cystic Fibrosis Association of Murcia, the Cure and Care Foundation, which provides care services for older and disfavoured people, and ADIBI, an entity that specialises in people with disabilities and rare diseases, by implementing different projects that have managed to improve the lives of their members and favour their integration in society.

Outside this programme, but still forming part of its social action plan, CLH has given its support to other associations and non-governmental organisations, such as the Spanish National Cancer Research Centre (CNIO), with which it has cooperated in carrying out activities related to cancer research and the training of research personnel.

The company also signed another agreement with the Women for Africa Foundation to participate in the programme “Science by Women”, which will make it possible for an African woman scientist to carry out post-doctoral research at the Institute of Photonic Sciences (ICFO), one of the most prestigious in its category.

Furthermore, CLH supported different initiatives promoted by Action Against Hunger to fund nutritional recovery treatments in needy countries, and it commissioned the Prodis Association to perform tasks related with the distribution of its corporate magazine.

Education and sport were other areas supported by the company, in initiatives such as the social integration school of San Fernando de Henares, a project promoted with the town council of the municipality and the Real Madrid Foundation to offer a healthy leisure alternative to boys and girls between the ages of 6 and 14, half of whom are immigrants or at risk of social exclusion.

As part of its commitment to the environment, CLH participates in initiatives related with the care and conservation of the natural world. In this chapter, the company organised the visit by company employees to the headquarters of GREFA (Rehabilitation Group for Native Fauna and its Habitat), where they were able to make artificial nest boxes and become more familiar with the fauna and flora of the Madrid region.

Other organisations that received the support of CLH in 2018 are the Spanish Red Cross, the Fight Against AIDS Foundation and the Spanish Association Against Cancer.



### Commitment to education

In the field of education, the CLH Group has collaboration agreements with Vocational Training schools, Universities and Business Centres all over Spain for their students to attend training sessions in the company.

In association with the Polytechnic University of Madrid, the Company sponsors the CLH Chair in Hydrocarbon Metrology. Classes are given at the School of Mining Engineering, and students are offered the possibility to gain practical experience or receive grant awards.

Furthermore, CLH regularly organises visits by students of different Engineering Schools, university faculties and other centres of education, to whom it explains the functioning of the Group's infrastructures.

The CLH Group collaborates with prestigious cultural institutions, such as the Teatro Real Foundation, the Bilbao Association of Friends of the Opera and A+Música.

### Support for culture

The CLH Group collaborates with prestigious cultural institutions, such as the Teatro Real Foundation, the Bilbao Association of Friends of the Opera and A+Música, a non-profit association that organises concerts at the National Auditorium to help young musicians to gain experience.

The company also participated with the University of La Rioja in the organisation of the cycle "Society in pursuit of role models", a major programme of conferences by personalities from the world of philosophy, the arts and sciences, which was held over the course of the academic year.

In the field of science, CLH forms part of the Foundation for Energy and Environmental Sustainability, FUNSEAM, one of the most prestigious centres for the analysis and dissemination of new forms of energy.

Furthermore, the company cooperated in the publication of the book "El Palacio de los Chávarri", a work that recounts the history of this emblematic Bilbao building to commemorate its 120th anniversary.

### Boosting entrepreneurship

In 2018, the CLH Group continued to develop its entrepreneurship support policy, through its collaboration with the Institute for Business Competitiveness of Castilla y León (ICE), the Promotion Institute of the Region of Murcia (INFO) and Campus Iberus to promote new ideas and projects that contributed to generating employment and creating industrial fabric.

### Participation in associations

The company participates actively with economic, business, scientific and social organisations, such as the CEOE (Spanish Confederation of Business Organisations), the New Economy Forum, the Chamber of Commerce of the United States, the Portuguese-Spanish Chamber of Commerce, the French-Spanish Chamber, the Business Circle, the Circle of Trust Foundation, the Civic Panel, the Spanish Energy Club, the Energy Foundation of the Community of Madrid, AED (Spanish Association of Executives), the Institute of Directors, the Society of Friends of the School of Industrial Engineering and the Elcano Royal Institute.



# Creating value in our environment

In the CLH Group we are committed to caring for the environment and safety, therefore we strive to reduce our impact and to use resources, technologies and processes efficiently and safely, respecting the environment where we carry out our activities.

## Facility safety and integrity

The Integrated Management System (IMS) and the Major Accident Prevention Policy are the main tools used in the CLH Group to manage facility integrity and the safety of individuals.

As part of this system, the company has developed procedures and guides to establish and regulate its environmental principles according to applicable legislation, corporate objectives and its environmental commitment.

Furthermore, CLH has Self-Protection Plans for its facilities, which identify possible risk situations and, should these occur, establish the actions to be taken, considering the available human and material resources.

## Pipeline and facility integrity plan

Another of the main tools available to the company to manage the safety of its facilities and pipelines is the Integrity Plan, designed in accordance with international best practices in the sector.

This plan includes measures for mitigation and establishes the frequency of infrastructure inspections, together with action protocols and the establishment and monitoring of indicators.

In 2018, CLH updated the pipeline integrity risk model, to optimise decision-making with regard to repair, investment and inspection. Furthermore, the company continued with the facility inspection plan based on the API 570 standard “Piping Inspection Code: In-service Inspection, Rating, Repair and Alteration of Piping Systems”, which emphasises the inspection of the pipelines and their ancillary elements.

FREQUENCY RATE OF TIER 1 + TIER2 INDUSTRIAL INCIDENTS. CLH GROUP IN SPAIN

	2017	2018
Spills	0.48	0.34

## 2. Value creation among our stakeholders

## 69 Creating value in our environment



Also during 2018 a new asset management department was created with the aim of improving efficiency in the management of the company's assets. In this respect, a criticality analysis has been performed at the facilities in order to identify the most critical process equipment from the point of view of safety, and to adopt new strategies to enable a reduction in the number of failures and to mitigate their impact.

This criticality analysis is set to continue in 2019. This will enable the company to optimise its maintenance strategy, thus guaranteeing the safety of individuals, equipment and the environment.

### Emergency preparedness and responsiveness

The CLH Group has Emergency Plans for all its facilities, prepared according to the recommendations and guidelines of the main international organisations.

To put these plans into practice, the company regularly holds drills and safety exercises, which help to improve the responsiveness and coordination of the teams involved should any unforeseen event occur.

Emergencies that affect water courses are among the most critical scenarios. Therefore, the company organises training activities with specific resources which make it possible to stop and limit possible discharges into rivers, reservoirs and other water bodies. In 2018, CLH carried out four actions in different river areas:

Pipeline	Section	Description	Facility
BILVA	Burgos-Valladolid	Breakage drill in the municipality of Cavia (River Arlanzon)	Rivabellosa
AGROTA	PK 0.1	Breakage drill in Arroyo Madre Vieja	San Roque
TALEZA	PK 81.992	Breakage drill in River Segre	Pobla de Mafumet
CARALI	Pk 69	Breakage drill in Azarbe de la Reina	Alicante

### Cooperation with stakeholders

The CLH Group provides informative leaflets which it distributes to the stakeholders in the area surrounding its facilities. These include information on how to identify the presence of pipelines and the measures that should be adopted to prevent accidents, especially when carrying out work close by. A free telephone number is also included in the leaflets to report any incident.

Furthermore, the CLH Group participates in various international associations to promote the exchange of good practices with regard to pipeline integrity and it cooperates regularly with the authorities and with the fire and civil protection services of different localities, holding drills and exercises and providing training courses for the members of these bodies.



## Commitment to the environment

The environmental management policy of CLH covers all aspects of the organisation. From the point of view of the storage facilities, the activities are monitored during the different stages, that is, the receipt of fuel and its storage and dispatch to customers by road tanker, to aircraft or ships. Fuel transport via the pipeline network guarantees the availability of stocks of products and the commitment to our customers with regard to the withdrawal of fuel from the facilities of CLH. This is one of the most environmentally-friendly means of transport for oil products.

The CLH Group, in application of the environmental precautionary principle included in the Rio Declaration of the United Nations Conference on Environment and Development (1992), regularly performs a systematic environmental assessment via its Environmental Management System, which is subjected to audits to identify points for improvement. Furthermore, the initiatives for commitment to the principles of sustainable development of all our activities are regularly monitored.

With a view to increasing the sustainability of energy consumption at Spain facilities, in 2018 CLH undertook a study for the replacement of the lighting in the road tanker loading areas and the perimeter area of the plants with LED lights in order to optimise the lighting of the plants and reduce energy consumption. Moreover, other initiatives, such as the use of Drag Reducing Agent (DRA) in pipeline transport, have continued, with the development of algorithms for additive dosing, and maximisation of efficiency in the use of pipeline pumping stations.

Other important initiatives include:

- The reduction of the volume of waste via the recovery of the product resulting from tank purges and groundwater remediation work, which was previously taken to an authorised waste manager. Specifically, at the Barajas airport facility the product collected in tank PTK027 has been transported to tanks at the Torrejón facility for recovery, after the corresponding quality analysis. Moreover, the product resulting from the soil remediation work carried out in the land around the LOEVIL pipeline has been recovered. (Loeches-Villaverde).

- One of the aims of the Transformation Office which led to the conversion of the company's head office to an open plan layout, was to reduce paper consumption. The results for 2018 in comparison with the previous year showed a 35.7% reduction in paper consumption with a total reduction of 2,729 kg, which represents a decrease of 2 t in CO<sub>2</sub> emissions to the atmosphere.
- Automation of the signals of the vapour recovery units (VRU) of the facilities, which has enabled better behaviour analysis of this equipment and the fine-tuning of the preventive maintenance work. This will contribute to improving the processes for minimisation and control of Volatile Organic Compound (VOC) emissions.

Thanks to these actions, the CLH Group in Spain has been able to maintain its ISO 14001 environmental certification for all its facilities and CLH Aviation Ireland achieved certification according to this standard in 2018.

In addition, CLH Aviación has EMAS certification for its airport facilities of Bilbao and Malaga.



### Environmental expense and investments

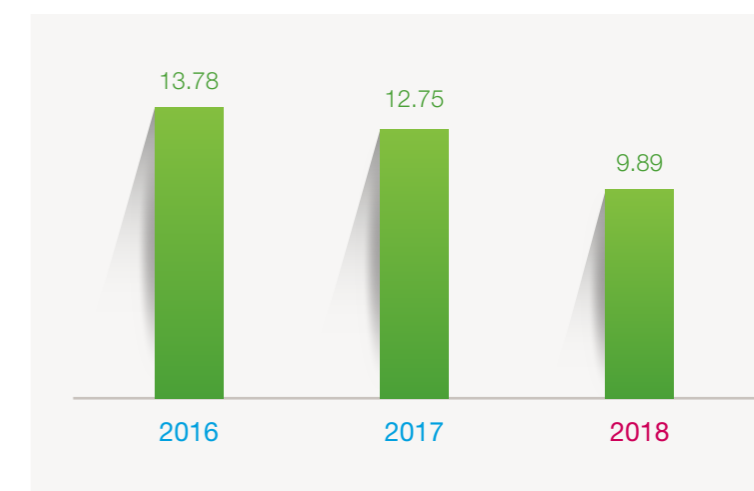
The CLH Group invested 9.89 million euros in Spain during 2018 to implement different environmental projects. Some of the most important included the work for renovation of the hydrocarbon-polluted water network at the Barcelona facility, the tightness tests performed on the pipelines and the replacement of PLC (Programmable Logic Controller) of effluents which provides centralised information in the Facility Control Centre.

Under this heading, current expenses for groundwater and soil remediation activities amounted to 1.53 million euros, which represents an increase compared to previous years as a consequence of the remediation work on plots where CLH was formerly present such as Burgos, Santurce and Alicante.

#### ENVIRONMENTAL EXPENSE AND INVESTMENTS (million euros)

	2016	2017	2018
Environmental investments CLH Group in Spain (CLH + CLH Aviación)	13.78	12.75	9.89
Groundwater and soil remediation expenditure CLH Group in Spain (CLH + CLH Aviación)	1.61	1.43	1.53

#### ENVIRONMENTAL INVESTMENTS. CLH GROUP IN SPAIN (Million euros)





## Energy efficiency and climate change

The CLH Group incorporates special additives in the transport of oil products through the pipeline, which reduce drag, minimise energy loss due to friction and, therefore, reduce the energy consumption used in pumping and the associated emissions.

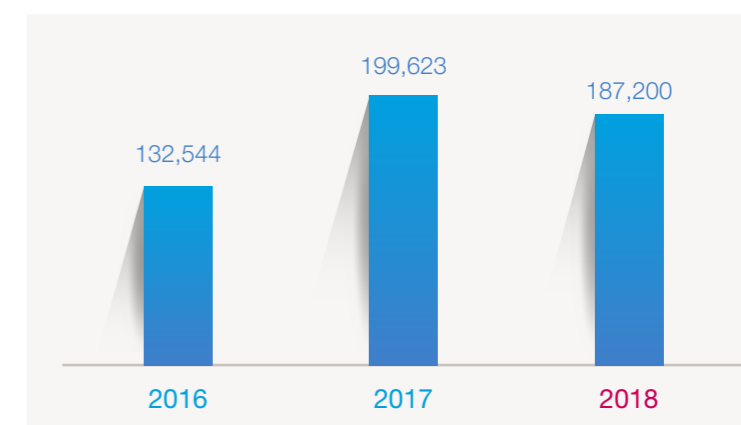
Furthermore, in 2018 the company has continued to make investments aimed at the protection and integrity of equipment to prevent possible incidents with an environmental impact such as:

- Control of rainwater discharge in facilities or the replacement of pipelines according to integrity criteria.
- Improvement of fire defence systems.

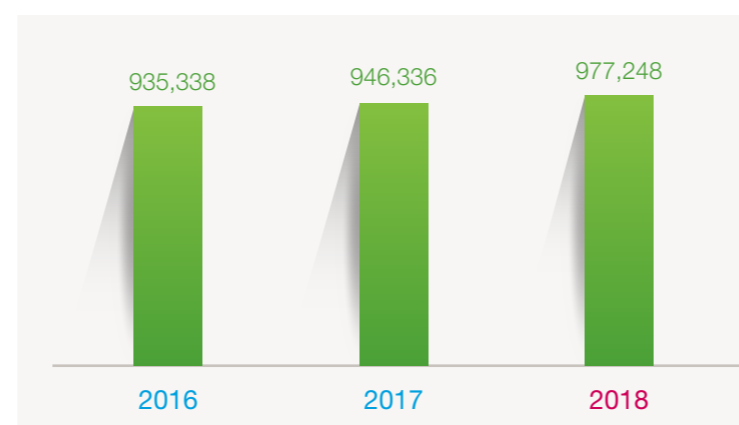
The CLH Group in Spain consumed 187,200 gigajoules (GJ) of primary energy (diesel oil, fuel oil and natural gas) in 2018, which represents a reduction of 6.64% compared to the previous year.

With regard to electricity consumption, in 2018 this amounted to 977,248 GJ, which represents an increase of 3.27% compared to 2017.

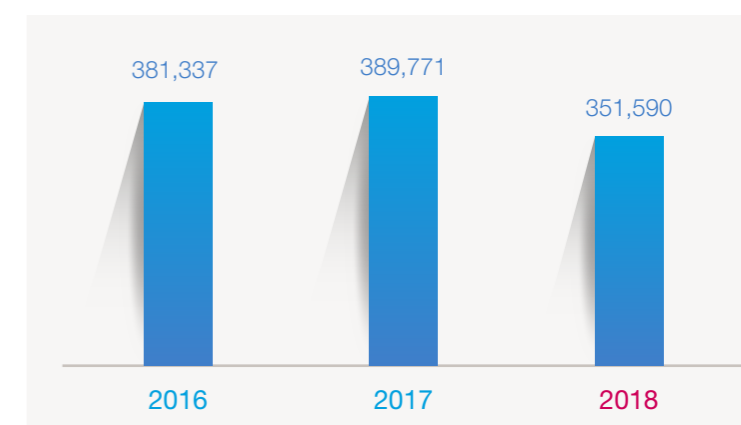
TOTAL PRIMARY ENERGY CONSUMPTION.  
CLH GROUP IN SPAIN (GJ/year)



ELECTRICITY CONSUMPTION.  
CLH GROUP IN SPAIN (GJ/year)



ENERGY CONSUMPTION IN TANKER VESSEL.  
CLH GROUP IN SPAIN (GJ/year) <sup>(1)</sup>



<sup>(1)</sup> The published data for the years 2016 and 2017 have been recalculated to report only the primary energy consumption.



## Climate change

In 2018 the CLH Group recalculated its carbon footprint, based on the UNE EN ISO 14064-1 standard, for scopes 1, 2 and 3.

- **Direct emissions (scope 1):** in 2018 a total of 12,190 t of direct GHG emissions was recorded (consumption at facilities and fuel consumption of the company's vehicles). The oscillations in CO<sub>2</sub> emissions are mainly due to the variations of dispatches of fuel oil and active tanks for this service and to the use of the company's vehicles.
- **Indirect emissions (scope 2):** the main GHG emissions are associated with the electricity consumption necessary for transporting the hydrocarbons via the oil pipeline network. The electricity company that handles the energy supply account for the facilities of CLH guarantees that the electricity consumed originates from 100% renewable sources, and therefore CO<sub>2</sub> emissions are considered to be 0.
- **Other indirect emissions (scope 3):** emissions not subject to the operational control of the company amounted to 30,978 t of CO<sub>2</sub> in 2018. This value is directly influenced by fuel consumption for sea transport.

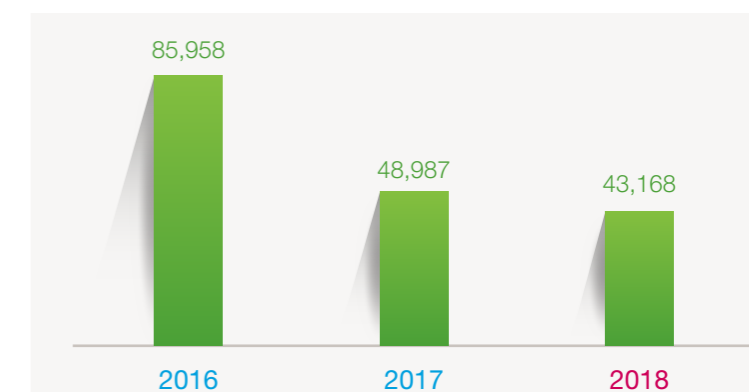
This calculation is influenced by the following concepts:

- Fuel consumption in the transport of fuels to airport facilities (2,025 t of CO<sub>2</sub>).
- Fuel consumption in sea transport (26,244 t of CO<sub>2</sub>).
- Paper consumption (76 t of CO<sub>2</sub>).
- Water consumption: emissions generated owing to the electricity consumption necessary for its distribution through the pipeline network (13 t of CO<sub>2</sub>).
- Business travel by company personnel, in different means of transport: plane, train and rental vehicles (609 t of CO<sub>2</sub>).
- Journeys made by company personnel to reach their place of work (1,978 t of CO<sub>2</sub>).
- Volume of water discharged, emissions generated owing to the electricity consumption necessary for its subsequent treatment in treatment plants (26 t of CO<sub>2</sub>).

- Waste generation Emissions generated owing to electricity consumption and/or necessary for its subsequent treatment (7 t of CO<sub>2</sub>).

This study for calculating the carbon footprint will be used in order to identify the main sources of GHG emissions, with the aim of identifying, designing and implementing actions for the reduction of emissions, which make it possible to increase the sustainability of its activity, measure the effectiveness of the projects implemented, and assess the progress made by the company.

EMISSIONS OF GREENHOUSE GASES.  
CLH GROUP IN SPAIN (tCO<sub>2</sub>eq)



	2016	2017	2018
Emissions of greenhouse gases (tCO <sub>2</sub> eq) - Scope 1	9,085	12,140	12,190
Emissions of greenhouse gases (tCO <sub>2</sub> eq) - Scope 2	45,208	0	0
Emissions of greenhouse gases (tCO <sub>2</sub> eq) - Scope 3	31,665	36,847	30,978
<b>Emissions of greenhouse gases (tCO<sub>2</sub>eq) - Total</b>	<b>85,958</b>	<b>48,987</b>	<b>43,168</b>



### Control of emissions to the atmosphere

The CLH Group generates a very limited amount of emissions to the atmosphere, as the company does not carry out any manufacturing processes and does not generate energy.

In specific terms, the main origin of emissions of SOX, NOX and particles in suspension lies in stationary internal combustion engines and those used in the vehicle fleet. Account is also taken of the emissions resulting from fuel consumption of the tankers chartered by the CLH Group and the steam boilers for heating the fuel oil stored at the facilities in La Coruña, Algeciras, Barcelona, Cartagena, Gijón, Huelva, Porto-Pí and Tarragona.

During 2018 fuel consumption decreased compared to the previous year, deriving from a reduction in consumption, mainly in the activity of vessels. Also very relevant is the replacement with diesel oil of the fuel used to power the boilers for heating fuel.

Regarding the emissions of volatile organic compounds (VOCs) that are basically generated in gasoline loading processes, the CLH Group follows different courses of action designed to minimise and control them, such as the use of the vapour recovery units in product loading processes, which guarantees that emissions of these compounds are reduced to below the 10 mg/m<sup>3</sup> limit established by the regulations in force.

Thanks to these actions, an average value of 3.28 g/Nm<sup>3</sup> has been achieved in VOC emissions, considerably lower than the limit set by legislation. However, the increase in dispatches of gasoline has led to the values for VOC emissions being higher than in 2017, with an increase of 20.41%.

#### EMISSIONS INTO THE ATMOSPHERE. CLH GROUP IN SPAIN<sup>(1) (2)</sup>

	2016	2017	2018
NOx emissions (tonnes)	70	80	96
SOx emissions (tonnes)	23	67	24
Volatile organic compound emissions (VOCs) (tonnes)	1	1	2
Particle emissions (tonnes)	6	6	7

<sup>(1)</sup> The emission factors used are those included in the CLH Group Environmental Parameters Guide (GU.0364.AMB), which is based on internationally renowned calculation guides.

<sup>(2)</sup> The published data for the years 2016 and 2017 have been recalculated to only report the emissions derived from primary energy consumption.



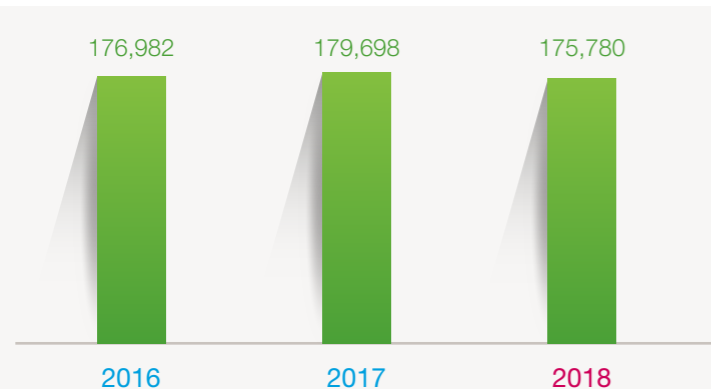
## Water consumption

In Spain, the CLH Group uses water in its operations for several purposes, including testing fire defence systems, generating steam and sanitary purposes.

Water is supplied from the municipal networks, except at ten plants which are not connected to such networks, where groundwater is collected exclusively for sanitary purposes. This involves a very small quantity that does not affect local water dynamics.

Water consumption in Spain was 175,780 m<sup>3</sup> in 2018, 2.2% less than the previous year, mainly used for testing fire defence systems of the facilities and the emergency drills held quarterly.

WATER CONSUMPTION. CLH GROUP IN SPAIN (m<sup>3</sup>)



## Waste management

The activity of the CLH Group generates hardly any hazardous waste and, when it is produced, this may take place at any of the three stages identified in the storage activity of CLH: product reception, storage and dispatch.

Most of the waste is generated during the storage stage, and is mainly the result of periodic cleaning of the storage tanks and hydrocarbon-polluted water treatment systems.

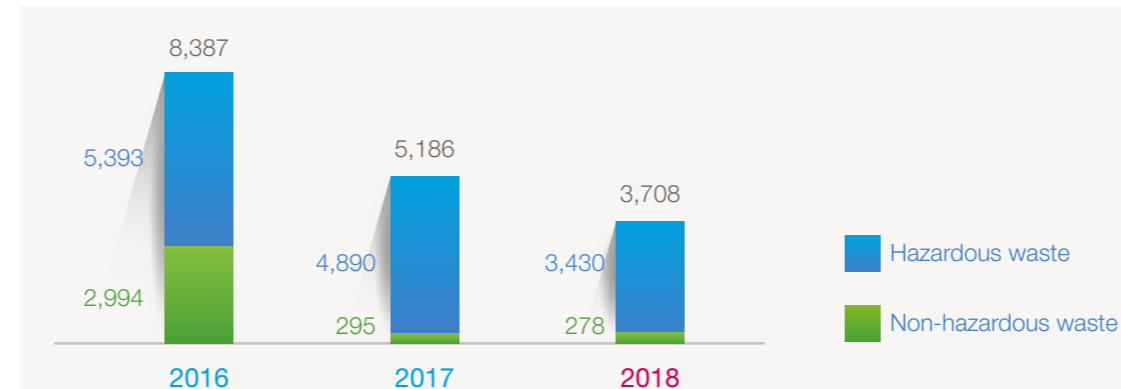
The facilities classify and segregate the waste generated according to type. Subsequently, it is stored in appropriately prepared areas until it is handed to an authorised manager.

The facilities keep a record of all the waste delivered, specifying the quantity, type, final destination and authorised manager. Prior application is required for registration as a producer of such waste with the corresponding regional authorities.

The waste is managed by an authorised manager depending on the type of waste. The service for all the facilities of the CLH Group is outsourced to specialised service companies that hold the corresponding authorisations.

In 2018, the CLH Group in Spain managed 3,430 t of hazardous waste and 278 t of non-hazardous waste, which represents 3,708 t of waste, 39.9% less waste than in 2017, mainly owing to the reduction of waste from the cleaning of tanks.

WASTE GENERATION. CLH GROUP IN SPAIN (t)





## Management of discharges and groundwater

It is CLH Group policy to report all relevant environmental incidents. In these cases, the company immediately activates the necessary measures to mitigate the possible effects on the environment and the surrounding area.

Furthermore, when the incident is a spill, CLH selects the most adequate cleaning system according to the characteristics of the land, to return it to its original state as soon as possible.

The characteristics of the company's operations mean that the discharges generated at the facilities are very limited. In this respect, the main cause of discharge is usually the rain collected in the different drainage networks of the facilities. These networks are suitably segregated according to the type of water that circulates through them (rainwater, sanitary water and water that is likely to contain traces of hydrocarbons).

The facilities also have a control system for taking continuous measurements of dissolved hydrocarbons, which redirects the analysed water back again to the treatment system if it does not comply with the stipulated discharge criteria. Likewise, the closed-circuit purge systems minimise the pollutant load that is sent to the treatment systems.

During 2018, the company continued with the R&D work with regard to discharge management and recovery of groundwater, including mainly:

- New treatment system for hydrocarbon-polluted water based on the use of bio-absorbent materials.
- Bioremediation project via the use of hydrocarbon-degrading microorganisms in soil remediation work.



## Soil protection

The CLH Group has mechanisms in place for detailed knowledge of the environmental situation of the land where its storage facilities are located.

Every year, the environmental condition of the subsoil at facilities is monitored by taking samples of groundwater from the piezometric control network present at facilities.

The most significant work undertaken in Spain in 2018 was:

- Barajas Airport: Implementation, by virtue of the agreement entered into by CLH Aviación and AENA, of the project for the voluntary contention and decontamination of the land adjacent to the manifold located in the runway area of terminal T2. This project consisted of the design, building and operation of a hydraulic barrier in the route of the T2 manifold to prevent the free-phase hydrocarbons identified in the area from entering the manifold.
- Tarragona: Excavation and management of polluted soil via an authorised manager owing to a spill caused by the overflow of the API basin due to the rain that fell during the month of October 2018.

Moreover, as part of its philosophy for continuous improvement, the company has assumed new challenges for 2019 including the consolidation of the different RDI projects commenced in the environmental area:

- To study the expansion of the continuous monitoring of the piezometric network at the CLH Group facilities in Spain, which has currently been installed at 12 facilities. This early warning network represents a safety measure in addition to the control and monitoring actions performed on the piezometers of the facilities, with the aim of identifying any impact on the subsoil in its early stages, minimising the impact and reducing the remediation tasks.
- To progress in the different lines of the cooperation project signed with the University of Granada for the treatment of waste water using biological processes.
- To implement at other facilities the non-intrusive environmental characterisation techniques based on geophysics (CEN Project).
- To consider the use of GIS technology to handle project data relating to the company's management of polluted soil.
- To consolidate the bioremediation research project, exploring the possibility of creating inoculums (solid or liquid preparation that contains a large number of microorganisms) with the capacity to degrade hydrocarbons that may represent commercial value for the company.

### SPILLS. CLH GROUP IN SPAIN

	2016	2017	2018
Spills with environmental impact (number)	5	2	3
Total volume spilt (t)	19.62	234.74	10.44

**Note:** In keeping with the practices that are most common in the sector, the company calculates as spills those that exceed 0.2 tonnes of product and which affect the environment.



## Protection of biodiversity

The CLH Group has a Plan for Identification of High Consequence Areas (HCA) that, by means of specific geographical analysis software, defines environmentally sensitive areas in which a pipeline incident would have major consequences for individuals and/or the environment.

In addition to Protected Natural Areas (PNA), high consequence areas are considered to include highly populated areas (more than 50,000 inhabitants or a population density of over 390 inhabitants/km<sup>2</sup>), other populated areas (such as isolated buildings, schools, stadiums, etc.), infrastructures (motorways, dual carriageways, railway lines, etc.) and water courses or water in dams (permanent rivers, reservoirs, lakes, etc.).

In Spain, the CLH Group continued to cooperate in 2018 on projects for the protection of biodiversity. One of the most important projects was the continuation of the company's collaboration with GREFA (Rehabilitation Group for Native Fauna and its Habitat) in the conservation of Iberian harrier species in the Madrid Region. As part of this project, the company assisted in the implementation of an information and social awareness campaign regarding this species, the tagging of birds and the performance of tasks for the protection of nests.

Furthermore, CLH continued to cooperate with the "Kestrel network" initiative for recovery of the lesser kestrel in the region of Madrid. Specifically, 44 lesser kestrel chicks from the captive breeding programme have been reintroduced.

During 2018, 3 new biodiversity studies were carried out at the facilities of Porto Pi, Son Banya and Coria del Río, in order to diagnose the biodiversity present in the area surrounding the facilities. At each of the facilities reviewed it was concluded that the activity of the infrastructures of CLH does not have any impact on the biodiversity of the environment outside the industrial enclosure.

Furthermore, the CLH Group has also performed environmental studies in Spain to measure the integration of the pipelines that run through areas that are especially rich in biodiversity. The analyses carried out have found that the sections analysed do not interfere with the development of the animal and plant species in the areas selected and highlight the integration of these infrastructures in the environment. The CLH Group and GREFA analysed a total of approximately 200 kilometres of protected natural areas where the pipelines are present in nine regions.



## Information on the performance of international businesses in environmental matters

The CLH Group is committed to extending the best environmental practices in the industry not only to its companies in Spain but also to the rest of its companies around the world, while adapting to the conditions and characteristics of the countries where they are located.

We shall strive to provide more information in upcoming reports, as we finish implementing the required procedures to be able to obtain these new figures and indicators for the international companies in the CLH Group.

This section shows the main indicators relating to environmental management in United Kingdom, Ireland and Panama.

The information included in this section is not subject to external verification.

### United Kingdom

#### ENVIRONMENTAL EXPENSE AND INVESTMENTS. CLH-PS (Million euros)

	2016	2017	2018
Environmental investments	–	–	13.9
Groundwater and soil remediation expenditure	0.02	0.17	0.07

#### WASTE GENERATION. CLH-PS (t)

	2018
Total hazardous waste	33.2
Total non-hazardous waste	167.2
<b>Total waste</b>	<b>200.4</b>

#### ENERGY CONSUMPTION. CLH-PS (GJ/year)

	2018
Total primary energy consumption	146,226
Electricity consumption	146,226

#### SPILLS. CLH-PS

	2018
Spills with environmental impact	1
Total volume spilt (t)	0.5

**Note:** In keeping with the most widely-spread practices in the sector, the company calculates as spills those that exceed 0.2 tonnes of product and which affect the environment.



## Ireland

### ENERGY CONSUMPTION. CLH AVIATION IRELAND (GJ/year)

	2018
Total primary energy consumption	2,666
Electricity consumption	2,401

### WASTE GENERATION. CLH AVIATION IRELAND (t)

	2018
Total hazardous waste	124.4
Total non-hazardous waste	48.6
<b>Total waste CLH Aviation Ireland (t)</b>	<b>173</b>

### SPIILLS. CLH AVIATION IRELAND (t)

	2016	2017	2018
Spills with environmental impact	0	0	0
Total volume spilt	3	3	5

**Note:** In keeping with the most widely-spread practices in the sector, the company calculates as spills those that exceed 0.2 tonnes of product and which affect the environment.

## Panama

### ENERGY CONSUMPTION. CLH PANAMÁ (GJ/year)

	2018
Electricity consumption	3,240

### WASTE GENERATION. CLH PANAMÁ (t)

	2018
Total hazardous waste	3
Total non-hazardous waste	2
<b>Total waste</b>	<b>5</b>

### SPIILLS. CLH PANAMÁ (t)

	2018
Spills with environmental impact	0
Total volume spilt	0

**Note:** In keeping with the most widely-spread practices in the sector, the company calculates as spills those that exceed 0.2 tonnes of product and which affect the environment.



# 3 Summarised Annual Accounts

Compañía Logística de Hidrocarburos CLH, S.A.  
and its dependent companies (CLH Group)





# Consolidated balance sheet at 31 December 2018

(Thousands of euros)

ASSETS	2018	2017
Tangible assets	1,015,646	1,048,369
Land and buildings	469,190	460,734
Plant and machinery	1,972,892	1,919,104
Other fixed assets	143,598	141,381
PP&E under construction	85,905	107,019
Depreciation	(1,655,939)	(1,579,869)
Property investments	12,871	12,881
Intangible assets	143,780	62,411
Investments accounted for using the equity method	54,242	46,761
Non-current financial investments	196	242
Deferred tax assets	38,672	37,456
<b>Non-current assets</b>	<b>1,265,407</b>	<b>1,208,120</b>
Non-current assets held for sale	816	16
Inventories	40,520	31,313
Trade debtors and other receivables	919,706	917,873
Current financial assets	2,859	1,017
Short-term accruals	3,656	2,899
Public entities, other	9,372	6,203
Cash and cash equivalents	2,995	1,144
<b>Current assets</b>	<b>979,924</b>	<b>960,465</b>
<b>TOTAL ASSETS</b>	<b>2,245,331</b>	<b>2,168,585</b>

EQUITY AND LIABILITIES	2018	2017
Capital	84,070	84,070
Retained earnings	386,186	349,771
Profit for the year	238,280	233,633
Share premium and reserves	147,906	116,138
Reserve for valuation adjustments	(11,886)	(14,719)
Translation differences	(2,203)	(3,338)
Other valuation adjustments	(9,683)	(11,381)
Interim dividend	(185,760)	(171,335)
<b>Net equity</b>	<b>272,610</b>	<b>247,787</b>
Bank borrowings	634,117	611,941
Provisions	50,852	46,099
Other non-current liabilities	5,061	5,612
Derivative financial instruments	12,910	15,257
Deferred tax liabilities	15,237	14,979
<b>Non-current liabilities</b>	<b>718,177</b>	<b>693,888</b>
Bank borrowings	231,991	200,109
Trade creditors and other payables	1,021,785	1,021,215
Current tax liabilities	373	5,347
Short - term accruals	395	239
<b>Current liabilities</b>	<b>1,254,544</b>	<b>1,226,910</b>
<b>TOTAL LIABILITIES</b>	<b>1,972,721</b>	<b>1,920,798</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,245,331</b>	<b>2,168,585</b>



# Consolidated statement of profit or loss for 2018

(Thousands of euros)

	2018	2017
Revenue	666,233	677,737
Changes in inventories of finished products	5,861	(7,148)
Work performed by the company and capitalised	2,737	3,278
Cost of sales	(12,415)	(10,928)
Other operating income	54,933	46,319
Employee benefits expense	(136,126)	(131,003)
Other operating expenses	(159,453)	(180,141)
Depreciation and amortisation charges	(102,000)	(86,515)
Capital grants and other grants taken to income	551	628
Surplus provisions	322	72
Impairment losses and income from disposals of assets	(3,650)	(524)
<b>Operating income</b>	<b>316,993</b>	<b>311,775</b>
Finance income	4,599	501
Finance expenses	(14,773)	(14,417)
Exchange differences (net)	(13)	4
Impairment of financial instruments	–	(16)
<b>Net finance costs</b>	<b>(10,187)</b>	<b>(13,928)</b>
Gain (loss) from equity-accounted investments	5,716	1,682
<b>Profit before tax</b>	<b>312,522</b>	<b>299,529</b>
Corporate income tax expense	(74,242)	(65,896)
<b>Profit for the year</b>	<b>238,280</b>	<b>233,633</b>
<b>Basic and diluted earnings per share (euros)</b>	<b>3.40</b>	<b>3.33</b>



# 4

## Index of contents required by Law 11/2018 and GRI and Global Compact indicators





# GRI indicators and Global Compact

Indicator	Description	Global compact	Location in report
<b>GRI 101 Fundamentals</b>			
<b>GRI 102 General Disclosures. . Organizational profile</b>			
102-1	Name of the organization.		Page 3
102-2	Activities, brands, products, and services.		Pages 10-21, 57
102-3	Location of headquarters.		Titán, 13, 28045 - Madrid
102-4	Location of operations.		Pages 10-21
102-5	Ownership and legal form.		Page 11
102-6	Markets served.		Pages 14-21
102-7	Scale of the organization.		Pages 14-21, 33
102-8	Information on employees and other workers.	Principle 6	Pages 33-34
102-9	Supply chain.		Pages 60-64
102-10	Significant changes to the organization and its supply chain.		Pages 60-64
102-11	Precautionary Principle or Approach.		Page 70
102-12	External Initiatives.		Pages 55-56
102-13	Membership of associations.		Page 55
<b>Strategy</b>			
102-14	Statement from senior decision-maker.		Pages 4-5
102-15	Key impacts, risks, and opportunities.		Page 30
<b>Ethics and Integrity</b>			
102-16	Values, principles, standards, and norms of behaviour.	Principle 6	Page 10
102-17	Advisory mechanisms and ethical concerns.	Principle 6	Page 28

## 4. Index of contents required by Law 11/2018 and GRI and Global Compact indicators



Indicator	Description	Global compact	Location in report
<b>Governance</b>			
102-18	Governance structure.		Pages 24-28
102-22	Composition of the highest governance body and its committees.	Principle 6	Pages 24-28
102-23	Chair of the highest governance body.		Pages 24-28
102-38	Annual total compensation ratio.		Page 36
102-39	Ratio of % average retribution increase.		Page 36
<b>Stakeholders engagement</b>			
102-40	List of stakeholder groups.		Page 32
102-41	Collective bargaining agreements.	Principle 1 Principle 3	Page 37
102-42	Identifying and selecting stakeholders.		Page 32
102-43	Approach to stakeholder engagement.		Page 32
102-44	Key topics and concerns raised.		Pages 63-69
<b>Reporting practices</b>			
102-45	Entities included in the consolidated financial statements.		Activity of the consolidated group of Consolidated Financial Statement for fiscal year 2018.
102-46	Defining report content and topic Boundaries.		Page 29
102-47	List of material topics.		Page 29
102-48	Restatements of information.		Restatements of information are indicated throughout the report.
102-49	Changes in reporting.		Page 29
102-50	Reporting period.		2018
102-51	Date of most recent report.		2017
102-52	Reporting cycle.		Annual
102-53	Contact point for questions regarding the report.		Page 3
102-54	Claims of reporting in accordance with the GRI Standards.		Core option.
102-55	GRI content index.		GRI indicators index.
102-56	External assurance.		N/A

## 4. Index of contents required by Law 11/2018 and GRI and Global Compact indicators

## 87 GRI indicators and Global Compact



Indicator	Description	Global compact	Location in report
<b>GRI 103 Management Approach</b>			
103-1	Explanation of the material topic and its Boundary.		Pages 29-30
103-2	The management approach and its components.		Pages 29-30
103-3	Evaluation of the management approach.		Pages 29-30
<b>GRI 201 Economic Performance</b>			
201-1	Direct economic value generated and distributed.		Page 15
201-3	Defined benefit plan obligations and other retirement plans.		Page 39
201-4	Financial assistance received from government.		Note 20. Other non-current liabilities of Consolidated Financial Statement for fiscal year 2018.
<b>GRI 202 Market Presence</b>			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage.	Principle 1 Principle 6	Page 36
202-2	Proportion of senior management hired from the local community.	Principle 6	Page 35
<b>GRI 203 Indirect economic impact</b>			
203-1	Infrastructure investments and services supported.		Pages 65-67
203-2	Significant indirect economic impacts.		Pages 65-67
<b>GRI 204 Procurement practices</b>			
204-1	Proportion of spending on local suppliers.		Page 61
<b>GRI 205 Anti corrupción</b>			
205-1	Operations assessed for risks related to corruption.	Principle 10	Page 28
205-3	Verified cases of corruption and measures taken.	Principle 10	CLH has not received any significant claims relating to anti-competitive behaviour, antitrust, and monopoly practices.

## 4. Index of contents required by Law 11/2018 and GRI and Global Compact indicators

## 88 GRI indicators and Global Compact



Indicator	Description	Global compact	Location in report
<b>GRI 206 Unfair competition practices (Anti -competitive)</b>			
206-1	Legal actions for anti-competitive behaviour, antitrust, and monopoly practices.		CLH has not received any significant claims relating to anti-competitive behaviour, antitrust, and monopoly practices.
<b>GRI 301 Materials</b>			
301-1	Materials used by weight or volume.		Page 70
<b>GRI 302 Energy</b>			
302-1	Energy consumption within the organization.	Principle 7 Principle 8	Page 72
302-2	Energy consumption outside of the organization.	Principle 7 Principle 8	Page 72
302-4	Reduction of energy consumption.	Principle 7 Principle 8 Principle 9	Pages 70-72
<b>GRI 303 Agua</b>			
303-1	Water withdrawal by source.	Principle 7 Principle 8	Pages 75-76
303-2	Water sources significantly affected by withdrawal of water.	Principle 7 Principle 8	Pages 75-76
<b>GRI 304 Biodiversity</b>			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Principle 8	Page 78
304-2	Significant impacts of activities, products, and services on biodiversity.	Principle 8	Page 78
304-3	Habitats protected or restored.	Principle 8	Page 78

## 4. Index of contents required by Law 11/2018 and GRI and Global Compact indicators

## 89 GRI indicators and Global Compact



Indicator	Description	Global compact	Location in report
<b>GRI 305 Emissions</b>			
305-1	Direct (Scope 1) GHG emissions.	Principle 7 Principle 8 Principle 9	Pages 73-74
305-2	Indirect (Scope 2) GHG emissions.	Principle 7 Principle 8 Principle 9	Pages 73-74
305-3	Other indirect (Scope 3) GHG emissions.	Principle 8	Pages 73-74
305-5	Reduction of GHG emissions.	Principle 8 Principle 9	Pages 73-74
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions.	Principle 8 Principle 9	Pages 73-74
<b>GRI 306 Effluents and Waste</b>			
306-2	Waste by type and disposal method.	Principle 7 Principle 8	Pages 75
306-3	Significant spills.	Principle 8	Pages 77
<b>GRI 307 Cumplimiento ambiental</b>			
307-1	Non-compliance with environmental laws and regulations.	Principle 7 Principle 8	CLH has not received any significant sanctions or fines for failing to comply with environmental regulations in 2018.
<b>GRI 308 Supplier Environmental Assessment</b>			
308-1	New suppliers that were screened using environmental criteria.	Principle 9	Page 62
308-2	Negative environmental impacts in the supply chain and actions taken.	Principle 9	Page 62
<b>GRI 401 Employment</b>			
401-1	New employee hires and employee turnover.	Principle 6	Pages 38-39
401-3	Parental leave.	Principle 6	Page 40

## 4. Index of contents required by Law 11/2018 and GRI and Global Compact indicators

90 GRI indicators and Global Compact



Indicator	Description	Global compact	Location in report
<b>GRI 403 Labour relations (Labour/Management)</b>			
403-1	Workers representation in formal joint management-worker health and safety committees.		Pages 44-46
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.		Pages 44-46, 35
403-4	Health and safety topics covered in formal agreements with trade unions.		Pages 44-46
<b>GRI 404 Training and education</b>			
404-1	Average hours of training per year per employee.	Principle 6	Pages 42-43
404-2	Programs for upgrading employee skills and transition assistance programs.		Pages 42-43
404-3	Percentage of employees receiving periodic assessments.	Principle 6	Page 41
<b>GRI 405 Diversity and equal opportunity of performance and professional development</b>			
405-1	Diversity of governance bodies and employees.	Principle 6	Page 35
405-2	Ratio of basic salary and remuneration of women to men.	Principle 6	Page 36
<b>GRI 406 No discriminaci3n</b>			
406-1	Incidents of discrimination and corrective actions taken.	Principle 6	During 2018, CLH has had no knowledge of any discrimination incident.
<b>GRI 407 Freedom of association and collective Bargaining</b>			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.	Principle 2	Pages 44, 62
<b>GRI 408 Child labour</b>			
408-1	Operations and suppliers at significant risk for incidents of child labour.	Principle 5	Page 62
<b>GRI 409 Forced labour</b>			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour.	Principle 4	Page 62

## 4. Index of contents required by Law 11/2018 and GRI and Global Compact indicators

91 GRI indicators and Global Compact



Indicator	Description	Global compact	Location in report
<b>GRI 410 Security procedures</b>			
410-1	Security personnel formed in politics and procedures of human rights.	Principle 1 Principle 2	Page 28
<b>GRI 412 Evaluation of human rights</b>			
412-1	Operations that have been subject to human rights reviews or impact assessments.	Principle 1	Page 28
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	Principle 1 Principle 2	Page 28
<b>GRI 413 Local communities</b>			
413-1	Operations with local community engagement, impact assessments, and development programs.	Principle 1	Page 65
<b>GRI 414 Supplier Social Assessment</b>			
414-1	New suppliers that were screened using social criteria.	Principle 2	Page 62
414-2	Negative social impacts in the supply chain and actions taken.	Principle 2	Page 62
<b>GRI 416 Customer Health and Safety</b>			
416-1	Assessment of the health and safety impacts of product and service categories.		Pages 68-69
<b>GRI 417 Marketing and labelling</b>			
417-3	Incidents of non-compliance concerning marketing communications.		CLH has not identified any failure to comply with regulations or voluntary codes relating to marketing communications in 2018.
<b>GRI 418 Clients privacy</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.		CLH has not received any significant claims relating to privacy violations or the leaking of customer data in 2018.



Indicator	Description	Global compact	Location in report
GRI 419 Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area.		CLH has not received any significant sanctions or fines for failing to comply with social and economic regulations in 2018.
OG - Sector Disclosures (Oil & Gas)			
OG-13	Number of processes safety events, by business activity.		Page 68



# Statement of non-financial information 2018

Content of the statement of non-financial information	Reporting standard	Location in the report
<b>Business model</b>		
<b>Description of the business model</b>		
Group business model.	GRI 102-2 GRI 102-7	Pages 10-21, 33, 57
Business environment.	GRI 102-4	Pages 10-21
Organization and structure.	GRI 102-18	Pages 11, 24-28
Markets in which it operates.	GRI 102-6	Pages 14-21
Objectives and strategies.	GRI 102-15	Pages 12-13
Main factors and trends that may affect its future development.	GRI 102-15	Page 30
<b>Information on environmental issues</b>		
<b>Policies</b>		
Policies applied by the group, including due diligence procedures for identification, evaluation, prevention and mitigation of risks and significant impacts, and verification and control, as well as the measures that have been taken.	GRI 103-2 GRI 103-3	Pages 29-30
<b>Main risks</b>		
Main risks associated with these issues related to the activities of the Group, including where relevant and proportionate, their trade relations, products or services which may have negative effects in those areas, and how the group manages these risks, explaining the procedures used to detect them and evaluate them according to the national, European or international reference frameworks for each subject. Information should be included on the impacts that have been detected, providing a breakdown of these, in particular on the main risks in the short, medium and long term.	GRI 102-11 GRI 102-15 GRI 102-30	Page 30

## 4. Index of contents required by Law 11/2018 and GRI and Global Compact indicators

## 94 Statement of non-financial information 2018



Content of the statement of non-financial information	Reporting standard	Location in the report
<b>Environmental management</b>		
Current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety.	GRI 102-11 GRI 102-29 GRI 102-31	Pages 70-71
Environmental assessment or certification procedures.	GRI 102-15 GRI 102-29 GRI 102-30	Page 70
Resources dedicated to the prevention of environmental risks.	GRI 102-29	Page 71 Note 32. Environmental information of Consolidated Financial Statement for fiscal year 2018.
Application of the precautionary principle.	GRI 102-11	Page 70
Provisions and guarantees for environmental risks.	GRI 307-1	Note 32. Environmental information of Consolidated Financial Statement for fiscal year 2018.
<b>Pollution</b>		
Measures to prevent, reduce or repair carbon emissions that seriously affect the environment, taking into account any form of air pollution specific to an activity, including noise and light pollution.	GRI 103-2 GRI 302-4 GRI 305-5 GRI 305-7	Pages 70-74
<b>Circular economy and waste prevention and management</b>		
Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste. Actions to combat food waste.	GRI 103-2 GRI 301-1 GRI 306-2 GRI 306-3	Pages 75-76

## 4. Index of contents required by Law 11/2018 and GRI and Global Compact indicators

95 Statement of non-financial information 2018



Content of the statement of non-financial information	Reporting standard	Location in the report
<b>Sustainable use of resources</b>		
Water consumption and water supply according to local constraints.	GRI 303-1 GRI 303-2	Page 75
Consumption of raw materials and measures taken to improve the efficiency of their use.	GRI 301-1	Page 70
Energy: Consumption, direct and indirect; Measures taken to improve energy efficiency, Use of renewable energies.	GRI 102-3 GRI 302-1 GRI 302-2 GRI 302-4	Pages 70-72
<b>Climate change</b>		
Greenhouse Gas Emissions.	GRI 305-1 GRI 305-2 GRI 305-3	Pages 73-74
Measures taken to adapt to the consequences of Climate Change.	GRI 102-15 GRI 103-2 GRI 305-5	Pages 70, 73-74
Reduction targets voluntarily set in the medium and long term to reduce GHG emissions and means implemented to that end.	GRI 305-5	Pages 70, 73-74
<b>Protection of biodiversity</b>		
Measures taken to preserve or restore biodiversity.	GRI 103-2 GRI 304-3	Page 78
Impacts caused by activities or operations in protected areas.	GRI 304-1 GRI 304-2	Page 78
<b>Information on social and personnel issues</b>		
<b>Policies</b>		
Policies applied by the group, including due diligence procedures for identification, evaluation, prevention and mitigation of risks and significant impacts, and verification and control, as well as the measures that have been taken.	GRI 103-2 GRI 103-3	Page 33

## 4. Index of contents required by Law 11/2018 and GRI and Global Compact indicators



Content of the statement of non-financial information	Reporting standard	Location in the report
<b>Main risks</b>		
Main risks associated with these issues related to the activities of the Group, including where relevant and proportionate, their trade relations, products or services which may have negative effects in those areas, and how the group It manages these risks, explaining the procedures used to detect them and evaluate them according to the national, European or international reference frameworks for each subject. Information should be included on the impacts that have been detected, providing a breakdown of these, in particular on the main risks in the short, medium and long term.	GRI 102-15 GRI 102-30	Page 30
<b>Employment</b>		
Total number and distribution of employees by gender, age, country and professional classification.	GRI 102-7 GRI 102-8 GRI 405-1	Pages 33-35
Total number and distribution of employment contract modalities.	GRI 102-8	Pages 33-34
Average annual number of permanent, temporary and part-time contracts by gender, age and professional classification.	GRI 102-8	Page 34
Number of redundancies by gender, age and occupational classification.	GRI 401-1	Page 38
Average annual number of permanent, temporary and part-time contracts by gender, age and professional classification.	GRI 405-2	Page 36
Salary Gap.	GRI 405-2	Page 36
Remuneration of equal or average jobs in the company.	GRI 405-2	Page 36
The average remuneration of directors and executives, including variable remuneration, per diems, indemnities, payment to long-term savings pension systems and any other payments disaggregated by gender.	GRI 405-2	Page 36 Note 27. Compensation to members of the Board of Directors and senior managers of Consolidated Financial Statement for fiscal year 2018.
Implementation of labour disconnection measures.	GRI 103-2	Even though CLH has not established a Labour Disconnection Policy as such, the Company has committed to respect its employees' rest time, as well as their work permits and paid holidays, fostering and promoting work-life balance as part of its company culture.
Employees with disabilities.	GRI 405-1	Page 38

## 4. Index of contents required by Law 11/2018 and GRI and Global Compact indicators

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Content of the statement of non-financial information	Reporting standard	Location in the report
<b>Work organization</b>		
Organization of working time.	GRI 102-8 GRI 103-2	Page 39
Number of absence hours.	GRI 403-2	Page 35
Measures aimed at facilitating the enjoyment of conciliation and encouraging the co-responsible exercise of these by both parents.	GRI 103-2 GRI 403-2	Pages 39-40
<b>Health &amp; Safety</b>		
Occupational health and safety conditions.	GRI 103-2	Pages 44-46
Accidents at work (frequency and severity) disaggregated by gender.	GRI 403-2	Pages 45-46
Occupational diseases (frequency and severity) disaggregated by gender.	GRI 403-2	In 2018, there have been no cases of occupational diseases.
<b>Social relations</b>		
Organisation of social dialogue, including procedures for informing, consulting and negotiating with staff.	GRI 102-43 GRI 402-1 GRI 403-1	Page 44
Percentage of employees covered by collective bargaining agreements by country.	GRI 102-41	Page 37
Assessment of collective agreements, particularly in the field of health and safety at work.	GRI 403-1	Pages 44-45
<b>Formation</b>		
Policies implemented in the formation.	GRI 103-2 GRI 404-2	Pages 42-43
Total number of hours of training by professional category.	GRI 404-1	Pages 42-43
<b>Accessibility</b>		
Universal accessibility for persons with disabilities.	GRI 103-2	Page 33

## 4. Index of contents required by Law 11/2018 and GRI and Global Compact indicators

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Content of the statement of non-financial information	Reporting standard	Location in the report
<b>Equality</b>		
Measures taken to promote equal treatment and opportunities for men and women.	GRI 103-2	Pages 33, 36, 42, 47
Equality plans.	GRI 103-2	Pages 28, 36
Measures taken to promote employment.	GRI 103-2 GRI 404-2	Pages 39, 41-43
Protocols against sexual and sex-based harassment.	GRI 103-2	Pages 28, 36
The integration and universal accessibility of persons with disabilities.	GRI 103-2	Page 36
Policy against all forms of discrimination and, where appropriate, diversity management.	GRI 103-2 GRI 406-1	Page 33
<b>Information on respect for human rights</b>		
<b>Policies</b>		
Policies applied by the group, including due diligence procedures for identification, evaluation, prevention and mitigation of risks and significant impacts, and verification and control, as well as the measures that have been taken.	GRI 103-2 GRI 103-3 GRI 410-1	Pages 5, 42
<b>Main risks</b>		
Main risks associated with these issues related to the activities of the Group, including where relevant and proportionate, their trade relations, products or services which may have negative effects in those areas, and how the group It manages these risks, explaining the procedures used to detect them and evaluate them according to the national, European or international reference frameworks for each subject. Information should be included on the impacts that have been detected, providing a breakdown of these, in particular on the main risks in the short, medium and long term.	GRI 102-15 GRI 102-30	Page 30
<b>Respect for human rights</b>		
Application of human rights due diligence procedures.	GRI 102-3 GRI 414-2	Page 62
Prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress any abuses committed.	GRI 103-2 GRI 410-1 GRI 412-1	Pages 5

## 4. Index of contents required by Law 11/2018 and GRI and Global Compact indicators

## 99 Statement of non-financial information 2018



Content of the statement of non-financial information	Reporting standard	Location in the report
Complaints about human rights violations.	GRI 102-17 GRI 103-2 GRI 419-1	Page 28
Promotion and compliance with the provisions of the fundamental ILO Conventions relating to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labour and the effective abolition of child labour.	GRI 103-2 GRI 406-1 GRI 407-1 GRI 408-1 GRI 409-1	Page 44
<b>Information relating to the fight against corruption and bribery</b>		
<b>Policies</b>		
Policies applied by the group, including due diligence procedures for identification, evaluation, prevention and mitigation of risks and significant impacts, and verification and control, as well as the measures that have been taken.	GRI 103-2 GRI 103-3	Pages 5, 28
<b>Main risks</b>		
Services which may have negative effects in those areas, and how the group It manages these risks, explaining the procedures used to detect them and evaluate them according to the national, European or international reference frameworks for each subject. Information should be included on the impacts that have been detected, providing a breakdown of these, in particular on the main risks in the short, medium and long term.	GRI 102-15 GRI 102-30 GRI 205-1	Page 30
<b>Combating corruption and bribery</b>		
Measures taken to prevent corruption and bribery.	GRI 103-2	Page 5
Measures to combat money laundering.	GRI 103-2	Page 5
Contributions to foundations and non-profit entities.	GRI 103-2 GRI 201-1 GRI 203-2	Page 15

## 4. Index of contents required by Law 11/2018 and GRI and Global Compact indicators

## 100 Statement of non-financial information 2018



Content of the statement of non-financial information	Reporting standard	Location in the report
<b>Information about society</b>		
<b>Policies</b>		
Policies applied by the group, including due diligence procedures for identification, evaluation, prevention and mitigation of risks and significant impacts, and verification and control, as well as the measures that have been taken.	GRI 103-2 GRI 103-3	Pages 65-69
<b>Main Risks</b>		
Main risks associated with these issues related to the activities of the Group, including where relevant and proportionate, their trade relations, products or services which may have negative effects in those areas, and how the group It manages these risks, explaining the procedures used to detect them and evaluate them according to the national, European or international reference frameworks for each subject. Information should be included on the impacts that have been detected, providing a breakdown of these, in particular on the main risks in the short, medium and long term.	GRI 102-15 GRI 102-30	Page 30
<b>The company's commitment to sustainable development</b>		
Impact of society's activity on employment and local development.	GRI 203-1 GRI 203-2 GRI 204-1 GRI 413-1	Pages 37, 58, 65-69
Impact of society's activity on local populations and territory.	GRI 203-1 GRI 203-2 GRI 413-1	Pages 37, 58, 65-69
Relations maintained with local community actors and the modalities of dialogue with them.	GRI 102-43 GRI 413-1	Page 65
Actions of association or sponsorship.	GRI 102-13 GRI 201-1 GRI 203-1	Pages 15, 65-69
<b>Subcontracting and suppliers</b>		
Inclusion of social, gender equality and environmental issues in procurement policy.	GRI 103-3	Pages 62-63

## 4. Index of contents required by Law 11/2018 and GRI and Global Compact indicators

## 101 Statement of non-financial information 2018

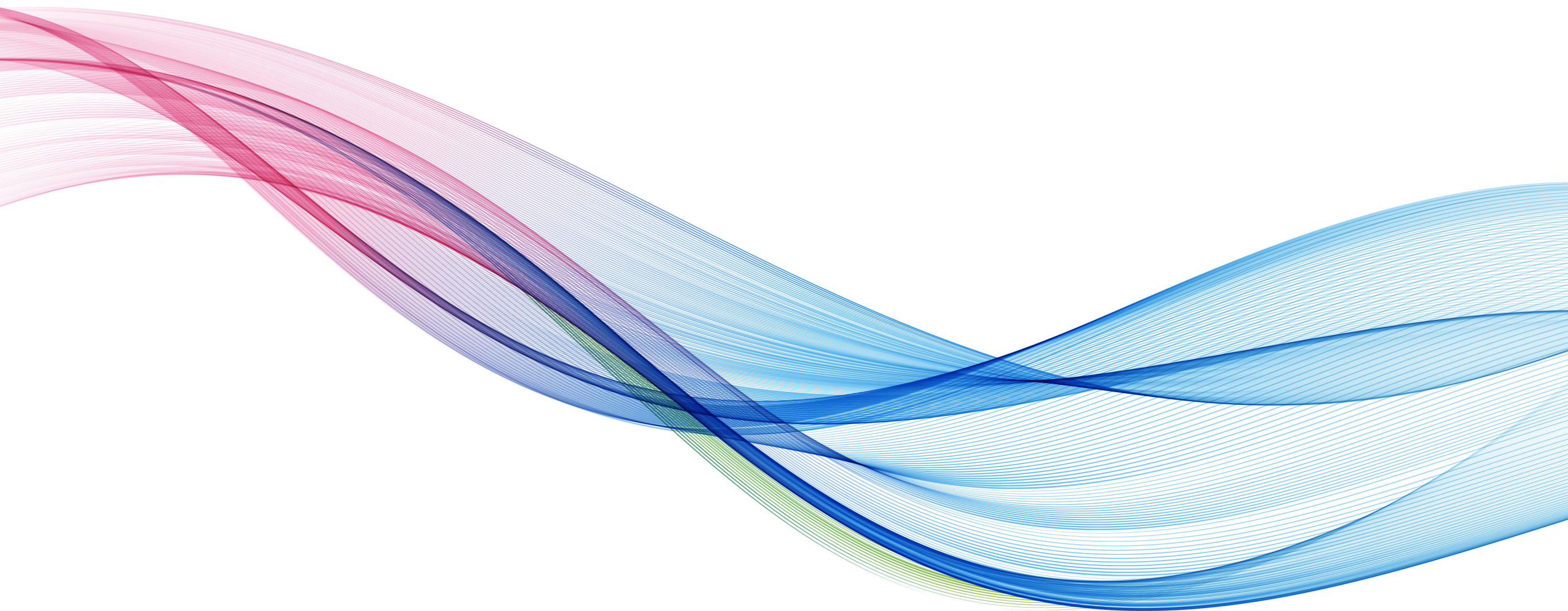


Content of the statement of non-financial information	Reporting standard	Location in the report
Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	GRI 102-9 GRI 103-3 GRI 308-1 GRI 308-2 GRI 407-1 GRI 408-1 GRI 409-1 GRI 414-1 GRI 414-2	Pages 62-63
Supervision and audit systems and results thereof.	GRI 308-1 GRI 308-2 GRI 414-2	Pages 62-63
<b>Consumers</b>		
Measures for the health and safety of consumers.	GRI 103-2 GRI 306-3 GRI 416-1 GRI 416-2 GRI 417-1 GRI OG-13	Pages 55-59
Complaint systems, complaints received and their resolution.	GRI 102-17 GRI 103-2 GRI 418-1	Page 59
<b>Tax information</b>		
Benefits obtained by country.	GRI 201-1	Note 23. Income and expenditure of Consolidated Financial Statement for fiscal year 2018.
Income taxes paid.	GRI 201-1	Note 22. Assets and liabilities by taxes of Consolidated Financial Statement for fiscal year 2018.
Public subsidies received.	GRI 204-1	Note 20. Other non-current liabilities of Consolidated Financial Statement for fiscal year 2018.



# 5

## Independent review report of the State of non-financial Information





# Independent review report

**Deloitte.**

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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

## INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of Compañía Logística de Hidrocarburos CLH, S.A.,

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the Consolidated Non-Financial Information Statement (NFIS) for the year ended 31 December 2018 of Compañía Logística de Hidrocarburos CLH, S.A. and subsidiaries (henceforth "CLH"), which forms part of the consolidated directors' report of CLH.

The NFIS includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting, that was not the subject matter of our verification. In this regard, our work was limited solely to verification of the information identified in section 4 "Table of Contents: 2018 Non-Financial Information Statement".

## Responsibilities of the Directors and of Management

The preparation and content of the NFIS are the responsibility of the Board of Directors of CLH. The NFIS was prepared in accordance with Global Reporting Initiative Standards for sustainability reporting in their core option ("GRI standards").

These responsibilities of the Board of Directors also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the NFIS to be free from material misstatement, whether due to fraud or error.

The directors of CLH are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

## Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information about economic, social and environmental performance.

Deloitte, S.L. inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, Hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.  
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

## Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed, which refers exclusively to 2018. The information relating to previous years was not subject to the verification provided for in current Spanish corporate legislation.

We conducted our review in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information, currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements regarding non-financial information statements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance provided is also substantially lower.

Our work consisted in requesting information from management and the various units of CLH that participated in the preparation of the NFIS, reviewing the processes used to compile and validate the information presented in the NFIS, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with CLH personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external review.
- Analysis of the scope, relevance and completeness of the contents included in the 2018 NFIS based on the materiality analysis performed by CLH and described in section "1.6 What we focus on", taking into account the contents required under current Spanish corporate legislation.
- Analysis of the processes used to compile and validate the data presented in the 2018 NFIS.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters described in section "1.6 What we focus on" of the NFIS.
- Verification, by means of sample-based tests, of the non-financial information relating to the contents included in the NFIS for 2018 and the appropriate compilation thereof based on the data furnished by CLH's information sources.
- Obtainment of a representation letter from the directors and management.

## Basis for Conclusion

As mentioned in the sections "1.6 What we focus on" and "2.1.1 Management of Corporate Social Responsibility in the CLH Group" in the NFIS attached, CLH gather solely the non-financial information of the activity carried on in Spain and, therefore, our verification is limited only to information on Spain. However, CLH has a Corporate Social Responsibility Master Plan that specifies the actions of the Company in this matter, and it is expected that its scope will be extended to the other countries in which the CLH Group is present.

## Conclusion

Based on the procedures performed and the evidence obtained, except for the effect of the matter described in the "Basis for Conclusion" section, no additional matter has come to our attention that causes us to believe that the NFIS of CLH for the year ended 31 December 2018 was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected GRI standards, as well as other criteria described as indicated for each matter in section 4 "Table of Contents: 2018 Non-Financial Information Statement" of the aforementioned Statement.

## Use and Distribution

This report has been prepared in response to the requirement established in corporate legislation in force in Spain and, therefore, it might not be appropriate for other purposes or jurisdictions.

DELOITTE, S.L.

Jorge Izquierdo Mazón  
4 March 2019



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