



Integrated report
non-financial statement
of CLH and subsidiaries

2019





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About this report

This document, which is an integral part of the consolidated management report as of 31 December 2019 for Compañía Logística de Hidrocarburos CLH, S.A. (hereinafter, Compañía Logística de Hidrocarburos CLH, S.A. and subsidiaries will be referred to as “the CLH Group”, “CLH” or “the Company”), has been prepared in accordance with the requirements laid down in Act 11/2018 of 28 December, amending the Commercial Code, the consolidated text of the Spanish Companies Act passed under Royal Legislative Decree 1/2010 of 2 July, and Accounts Auditing Act 22/2015 of 20 July relating to non-financial information and diversity.

For reporting purposes, CLH has used the Global Reporting Initiative’s standards for Sustainability reporting (GRI Standards). The scope of this Non-Financial Statement includes information relating to the CLH financial year 2019.

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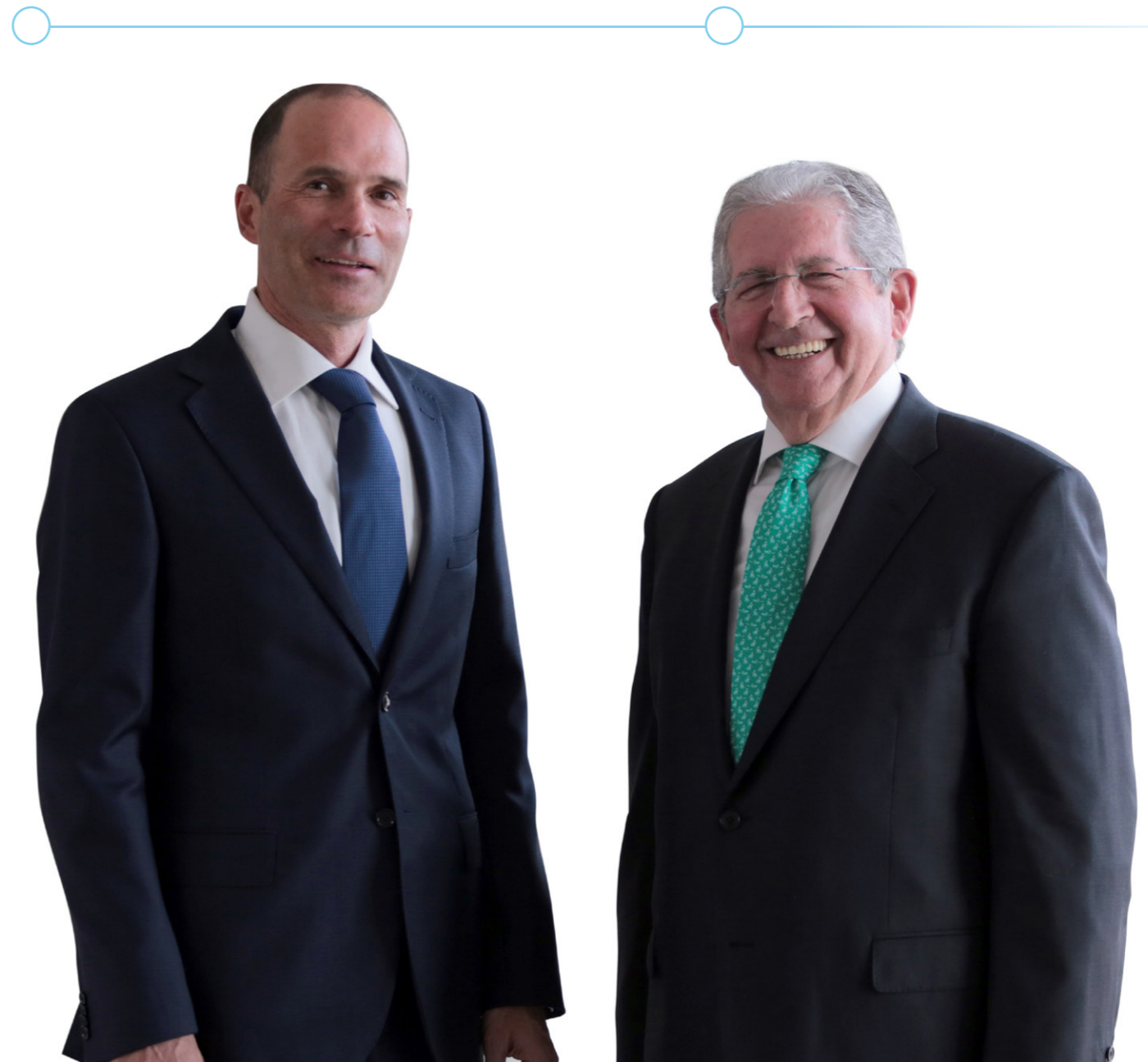
Letter from the Chairman and the CEO

We are pleased to present the Consolidated Report of the Non-financial Statement of the CLH Group for 2019. This report is published as part of our commitment to transparency and explains our financial and non-financial results, in addition to our main strategic lines and initiatives in corporate social responsibility.

Last year was a very good year for the CLH Group, as we managed to achieve very satisfactory financial results and meet the ambitious targets we had set ourselves, despite an increasingly complex environment marked by the challenges of climate change and the energy transition.

Jorge Lanza
CEO

José Luis López de Silanes
CLH Group Chairman





The CLH Group's profit after tax exceeded 285 million euros, which represents an increase of 19.8% compared to 2018. This was primarily due to the growth of the aviation business and the ever-increasing contribution of international businesses, which now account for more than 16% of the Group's total operating income, in addition to our continued efforts to improve efficiency.

In 2019, we continued to implement the main strategic lines approved in 2017 and made investments of over 85 million euros, which allowed us to make further improvements to the infrastructure and services in all countries in which we are present, and continue to diversify and expand the business internationally.

Indeed, one of the main highlights of 2019 was the creation of CLH Ecuador, which began to offer operational, maintenance and into-plane fuelling services at Guayaquil airport.

In addition, CLH Panamá commenced operations at Marcos A. Gelabert International Airport, one of the largest in the country in terms of domestic and private flights, and also began operations at the new terminal of Tocumen airport, which posed quite an operational challenge.

CLH Aviation Ireland commissioned a new storage tank and progressed with the construction of a new hydrant system as part of the expansion and improvement project underway at Dublin Airport.

In the United Kingdom, CLH-PS activity experienced strong growth due to the new contracts signed the previous year and the consolidation of operations at the Bramhall and Walton facilities, which were integrated into the management of the company.

Meanwhile, after one full year with all assets in operation, OLC, in which CLH has a 40% stake, is now meeting 70% of demand for gasoline, diesel oil and kerosene in the Omani market.

In Spain, we began to provide services to Tenerife South airport, in addition to nine other airports where we had not been present, thus strengthening CLH Aviación's leading position.

● THE CLH GROUP'S PROFIT AFTER TAX EXCEEDED **285 MILLION EUROS**, WHICH REPRESENTS AN INCREASE OF **19.8%** COMPARED TO 2018

In addition, we continue to improve our terminals, particularly those located in ports, where we have not only begun to offer specialised services but are also working to expand the products we manage.

Another improvement we made was to increase our efficiency by implementing a more integrated organisational model based on the clustering of facilities and the remote operation of a growing number of plants.



We also continued to streamline our procedures and incorporate new, more advanced IT equipment that allows us to work more efficiently at the facilities and introduced mobile terminals to manage maintenance and personal safety devices for use in one-person shifts.

Furthermore, we made significant progress in the area of safety, but need to step up efforts to reduce the number of accidents, which, although minor, were similar to 2018 levels. To this end, we have implemented a new programme that will help us further embed our prevention culture over the coming years.

As regards our change and transformation strategy, we continue to modernise our operating model, with initiatives such as the ONE programme that includes numerous measures for the digitalisation and upgrade of our information systems to achieve a more efficient and flexible company. We are also working on new cybersecurity projects, which is one of our biggest challenges on account of the increasing digitalisation of the company.

Alongside this, we continue to roll out initiatives under the Podium programme in a bid to gain efficiencies. To this end, we have set up various working groups that are managing to streamline processes and, in short, allow us to work more efficiently.

We would also like to point out that in 2019 we continued to strive to create value for all our stakeholders and to build relationships of trust with local communities through different social actions and entrepreneurship support projects to express our gratitude to the community and remind them of the important public service we provide every day.

In addition, we approved a new sustainability strategy intended to reduce our net greenhouse gas emissions by 50% by 2025 and make CLH a carbon-neutral company by 2050.

All in all, in 2019, we once again confirmed our commitment to the sustainability of the planet with concrete actions, in line with the Paris Agreements of December 2015 (COP 21), the Sustainable Development Goals (SDGs), the UN Global Compact and, indeed, our own Code of Conduct in relation to human rights, labour, the environment and anti-corruption, not only in our direct activities, but also in collaboration with the different stakeholders, all in a bid to secure the company's long-term future.

If you would like to learn more about the activities we have carried out, we invite you to read this report, which we have made available to give you a better insight into the progress the CLH Group has made in the different areas.



Highlights from 2019

| Safety

Always Safely

The company has launched an ambitious programme to improve CLH and partner companies' preventive culture. It has also implemented an action plan that includes a redefinition of the Safety Vision, the organisation of training programmes and a review of a number of safety processes.

Safety award

CLH Aviación was recognised at the seventh edition of the Escolástico Zaldívar Awards for improving the health and safety of workers. The award was presented at a ceremony held on World Day for Safety and Health at Work.

Recognition of the Spanish Maritime Cluster

CLH won an award in the Social and Environmental Welfare category of the Spanish Maritime Cluster Awards in recognition of the company's important role in ensuring safe and sustainable access to energy.

Promotion of health and safety at work

The company was granted a certificate of accession to the Luxembourg Declaration by the National Institute of Health and Safety in the Workplace in recognition of its track record in promoting occupational health and safety.

| Business

Strategic Plan

We continue to progress with the implementation of the Strategic Plan and have introduced new initiatives and projects that have enabled the Group to upgrade its services, expand internationally and adapt to the current energy transition period.

Present at more airports

CLH Aviación began to provide services in the Canary Islands for the first time, at Tenerife South Airport, and at the following nine airports: San Sebastián, León, Valladolid, Granada, Melilla, Burgos, Reus, Sabadell and Ciudad Real, thus strengthening its leadership in Spain.



Improvements at the facility in Barcelona

CLH invested more than 10 million euros in expanding the storage capacity of the Barcelona facility and in other operational improvements to increase storage and transport capacity in the Mediterranean region.

Reinforcement of the power supply in Arahall

The company built two electricity lines and a new substation to supply electricity to its storage and transport infrastructure in Arahall, which will also improve the power supply to the district.

New state-of-the-art ship

To strengthen fuel transportation services and improve supply to its facilities, CLH has added a more sustainable and modern ship to its fleet, the "Castillo de Arteaga". The vessel was built in 2019 and is equipped with the latest emission-reduction technologies.

Introduction of an in-line blending service in Castellón

The company began to provide a new in-line blending service in Castellón, which involves receiving products in their pure form (FAME, oils) from the refinery and blending them in our facility to obtain the finished product according to specification

New automatic loading service in Algeciras

CLH has set up an automatic loading service for road tankers at the bunkering facility in Algeciras, which enhances the safety and efficiency of operations and improves the quality of the service.

Fuel quality testing in Catalonia

CLH's Central Laboratory was again awarded the contract tendered by the Regional Government of Catalonia for the testing of the quality of the fuel supplied to service stations in Catalonia.

Preliminary Collective Bargaining Agreement

The company and the UGT, CCOO and CGT trade unions signed a preliminary Collective Bargaining Agreement for CLH employees covering the 2016-2019 period. The preliminary agreement provides for the inclusion in the new Collective Bargaining Agreement of the content of the Partial Agreements signed during the negotiation process.



Future

Carbon-neutral company

The CLH Group approved a sustainability strategy to reduce its emissions by 50% before 2025 and make CLH a carbon-neutral company by 2050, in accordance with the Paris Agreement of December 2015 (COP 21) and the Sustainable Development Goals (SDGs).

Promotion of hydrogen

The CLH Group signed an agreement with the American company Plug Power, world leader in the design and marketing of hydrogen fuel cell systems, to extend the use of this energy in Spain to sectors and activities where it could be the most efficient zero-emissions solution.

Development of alternative fuels

The company continued to participate in a project funded by the Industrial Technology Development Centre (CDTI) to obtain liquid fuel from plastic waste.

Quality control of oil products

The CLH laboratory began to collaborate on an innovation project for the development of new analysis techniques that would allow the quality control of oil products to be performed using sensors installed in company pipelines and tanks.

Efficiency

Process and system upgrades

The company implemented the “ONE” project to upgrade its core administrative processes and associated systems in order to standardise procedures in all companies of the group and thus increase efficiency.

Better managed operations

The Facility Monitoring Centre increased the number of facilities managed remotely to 30, and continues to implement the new management model whereby facilities are grouped together to create synergy through joint operation.

Mobile devices to facilitate work

CLH began to roll out a new mobile device in facilities in order to manage maintenance more smoothly. In addition, it began to use electronic delivery notes and pilot tested a new personal safety device to strengthen security in one-person shifts.



| Internationalisation

Landing in Ecuador

Through its subsidiary CLH Aviación Ecuador, CLH Aviación began operations, maintenance and into-plane fuelling activities at José Joaquín de Olmedo International Airport in Guayaquil city (Ecuador).

New airport in Panama

CLH Panamá began operations at Marcos A. Gelabert International Airport, one of the largest in the country in terms of domestic and private flights. CLH also operates in five other airports in Panama.

Cultural change

CLH-PS implemented the Delta Project – a cultural change programme intended to improve teamwork, communication and leadership skills.

Modernisation of Inverness

CLH-PS made further progress with the expansion works at the plant in Inverness. The company is building a new tank with a capacity of 5,500 cubic metres and a water storage tank to improve the firefighting system.

Operational improvements in Ireland

CLH Aviation Ireland continued with the planned upgrade of its facilities with the commissioning of a new 5,000 cubic-metre storage tank. To date, the company has inaugurated three new storage tanks and the first section of a new hydrant network.

New contracts in Dublin

CLH Aviation Ireland signed a new kerosene storage service agreement with World Fuel Services, thereby increasing the number of suppliers with which airlines can conclude agreements. It also signed a partnership agreement with Applegreen, a new into-plane fuelling agent.

Al Jifnain managing 70% of demand in Oman

The Al Jifnain Terminal managed by OLC, in which CLH has a 40% stake, is now meeting more than 70% of domestic product demand, thus exceeding forecasts. Work continues to develop technical and operational improvements that will allow it to further expand and strengthen the service provision.

| Community

Support for the integration of persons with disabilities

The company strengthened its support for the occupational integration of persons with disabilities by concluding two new partnership agreements with the Prodis Foundation and the ONCE Foundation.

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

For the ninth consecutive year, the company collaborated with San Fernando de Henares Town Council and the Real Madrid Foundation on the town's school for social inclusion, dedicated to educating children of different ages and social backgrounds in values through sport.

Support for entrepreneurship

CLH maintained its commitment to entrepreneurship and the fostering of new business ideas by collaborating with the Institute for Business Competitiveness of Castilla y León (ICE), the Promotion Institute of the Region of Murcia (INFO) and the Campus Iberus network comprising the universities of Zaragoza, Lleida, La Rioja and the Public University of Navarra.



Institutional Relations

Donation of a power generator to Es Castell Town Council

As part of its CSR policy, CLH donated a power generator to Es Castell Town Council (Menorca) to improve the power supply to the town's public school, sports complex, football pitch and related facilities.

Tutankhamun Exhibition in Mahón

CLH sponsored the "Tutankhamun: Images of a treasure hidden under the Egyptian desert" exhibition at the Centre D'art Ca n'Oliver in Mahón.

Conference sessions "Society in pursuit of role models"

CLH and the University of La Rioja renewed the partnership agreement for the organisation of a new series of "Society in pursuit of references" talks, which will include speakers such as the actress María Fernanda D'Ocón and the Hispanist Ian Gibson.

The chairman, José Luis López de Silanes, named Distinguished Citizen of La Rioja

José Luis López de Silanes was honoured as a Distinguished Citizen of La Rioja, the highest personal distinction awarded by the Regional Government of La Rioja to Riojans who have made outstanding contributions to culture, society, politics, economics and their fields of work.

International conference in Panama

CLH Aviación was one of the companies invited to participate in the Airports Council International Annual Assembly for the Latin America & Caribbean region (ACI-LAC) held in Bogotá to strengthen relations between leaders, governments and service providers in the airport operator industry.

Meeting with the president of the Regional Government of Andalusia

The Chairman and Chief Executive Officer met with the President of the Regional Government of Andalusia, Juan Manuel Moreno, and the Regional Minister for the Treasury, Industry and Energy, Juan Bravo, in Seville to brief them on the company's core activities and infrastructure in the region.

Reception with the king in Panama

The Spanish Embassy organised a reception on the occasion of King Philip VI's visit to Panama, which was attended by the Terminals Manager for CLH Panamá, José Ramón Guijarro, representing the CLH Group.

Visit by the UK Ministry of Defence

A delegation from the UK Ministry of Defence visited CLH-PS's Inverness plant to learn about terminal operations and the progress of the expansion works.



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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.

In Spain, the CLH Group is comprised of the companies CLH, CLH Aviación and TERQUIMSA (Terminales Químicos, S.A.). In addition, the Group is present in five other countries, through CLH Pipeline System Ltd. (CLH-PS) in the UK, CLH Aviation Ireland in Ireland, CLH Panamá in Panama, CLH Aviación Ecuador in Ecuador and Orpic Logistics L.L.C. (OLC) in Oman.

In 2019, as part of its international expansion strategy, the Group opened an office in Houston (USA) to identify and explore new investment opportunities for refined product and petrochemical logistics assets, both within the US and on the rest of the American continent.

Purpose

In 2019, the company defined a new corporate purpose, which encapsulates the CLH Group's overarching mission and takes account of all stakeholders, and can be summarised as follows: "We contribute to the development of society and the sustainability of the planet, managing essential infrastructures for the well-being of individuals".

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.



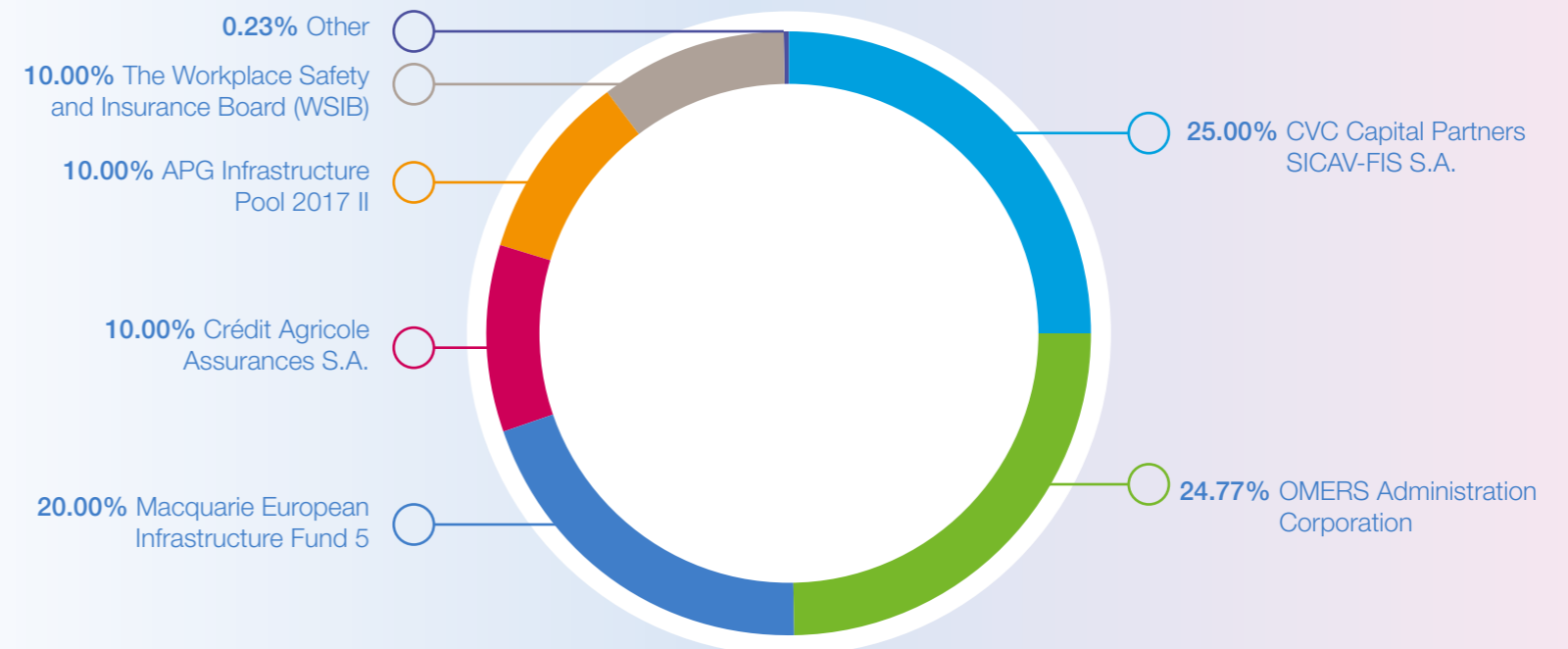
Our values

The CLH Group culture is based on values such as safety, commitment and the ability to generate trust among stakeholders: Safety, Efficiency, Commitment, Responsibility, Excellence, Integrity and Trust.

Our shareholders

The shareholding structure of the CLH Group is composed of financial shareholders and investment funds specialised in managing infrastructures.

SHAREHOLDING STRUCTURE AT 31/12/2019





Our strategy

| How do we create long-term value?

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 fuel. CLH Aviación is a global benchmark in international airport logistics and guarantees an efficient and safe supply of aviation fuel at airports in Spain and abroad.

In this regard, CLH Aviation Ireland offers fuel receipt, storage and dispatch logistics services at Dublin Airport, CLH Panamá operates fuel terminals and performs into-plane fuelling services at six airports in Panama, and CLH Aviación Ecuador carries out operational, maintenance and into-plane fuelling activities at José Joaquín de Olmedo International Airport in Guayaquil city.

In addition, CLH Pipeline System (CLH-PS) provides fuel storage and transport logistics services to various military facilities and airports in the UK.

These activities are key to ensuring the good performance of the economy and society because, even though society 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, although they constitute a declining share of the energy mix, they will remain essential for many years to come in order to guarantee our mobility.

Aware of this challenge, the CLH Group has been continuously adapting to the needs of the market, increasing the capacity of its systems and adapting the infrastructure to meet ever more stringent requirements in terms of quality, safety and environmental protection. It has also introduced new biofuels, product qualities and energy supplies so that it can continue to grow and create value for society; all with the goal of building a sustainable long-term business to meet the energy transition challenge.

To this end, the CLH Group is developing a diversification plan to adapt the company to the new needs of the market and society in terms of energy supply and the storage of alternatives to hydrocarbons. In addition, the CLH Group has developed a strategy to reduce its carbon footprint by 50% before 2025 and to completely eliminate it by 2050.

The high level of automation, integration and capillarity of CLH's operating model in Spain has earned it an international reputation as one of the most economically efficient supply schemes in the world, as has been pointed out by the International Energy Agency ("CLH has one of the largest and most efficient integrated oil storage and transportation networks in the world").

The company will continue to strive to ensure that society enjoys easy and safe access to energy, while adapting to new demands in the industry and introducing new activities and services to ensure the long-term sustainability of operations in response to the energy transition challenge.



Strategic pillars of the CLH Group

This 2017-2021 Strategic 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 infrastructure 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, while including diversified logistics activities and services in connection with new products.

● **International growth**

Consolidating existing international businesses, as well as searching for new 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.

Within the Strategic Plan, the CLH Group has a **CSR Master Plan** which covers priority aspects such as environmental management and protection; control and safety of facilities, occupational health and safety, relations with the community, stakeholders, ethics and integrity, and the attraction and retention of talent.

The CLH Group also wishes to play an important role in the energy transition process and, accordingly, is working on three strategic lines: reducing the environmental impact of our operations, guaranteeing efficient access to energy in those countries where there is currently none and exploring opportunities for diversification and the possibility of developing logistics systems beyond traditional hydrocarbon systems for the new types of energy that may be needed in the future.



Our activity in 2019

Financial results

Profit after tax of the CLH Group in 2019 amounted to more than 285 million euros, which represents growth of 19.8% compared to the previous year.

Operating income totalled 761.6 million euros, 5.1% more than in 2018, mainly owing to commercial logistics both in Spain and the UK, the storage of oil products and the aviation sector.

The contribution of international business continued to grow and reached 122.7 million euros in operating income, which represents 16.1% of the total for the group.

Operating expenses amounted to 393.3 million euros, 3.4% less than in 2018, due to the review of the useful life of CLH assets in Spain and the efficiency and cost reduction plans promoted by the company.

The EBITDA of the CLH Group amounted to 459.9 million euros, which is 7.4 % higher than in 2018, thanks to increased activity in the logistics network in Spain, growth in aviation fuel demand, a full year of business operations in Panama and positive trends in CLH-PS contracts.

Thanks to this growth and cost savings, recurring operating profit increased by 16.1% compared to the previous year and amounted to 368.3 million euros.

GENERATION OF WEALTH. Million euros

| | 2017 | 2018 | 2019 |
|--------------------|----------|---------|---------|
| Operating profit | 311.7 | 317.2 | 368.3 |
| Net profit | 233.6 | 238.3 | 285.3 |
| Operating income | 728.0 | 724.4 | 761.6 |
| Operating expenses | 416.3 | 407.2 | 393.3 |
| Investments | 107.0 | 77.6 | 85.4 |
| Dividends(*) | 210.7 | 240.2 | 270.2 |
| Total assets | 2,168.09 | 2,245.3 | 2,346.8 |

(*) The dividend for 2019 came to 270.2 million euros (€3.8308/share), of which 51.7 million (€0.7337/share) corresponded to an additional dividend to be proposed to the General Shareholders' Meeting for approval.



Direct economic value generated and distributed

| Concept | S/CLH SA | S/CLH AVI | Total |
|--|------------------|-----------------|------------------|
| Direct economic value generated | 628,662 | 93,180 | 721,842 |
| Sales and other operating income | 572,948 | 87,638 | 660,586 |
| Financial income | 56,115 | 4,948 | 61,063 |
| Results for disposal of fixed assets | (401) | 594 | 193 |
| Economic value distributed | (541,942) | (74,412) | (616,354) |
| Operational expenses | (152,694) | (24,508) | (177,202) |
| Salaries and benefits of employees | (85,158) | (22,289) | (107,447) |
| Payments to capital providers (dividends to shareholders and interest payments to capital providers) | (227,002) | (19,935) | (246,937) |
| Payments to the government | (77,088) | (7,680) | (84,768) |
| Economic value withheld | 86,720 | 18,768 | 105,488 |

GRI 201-01 indicator for the company CLH S.A. and the company CLH Aviación. This work was performed using the audited financial statements for 2019.

Investments

The CLH Group invested 85.4 million euros in 2019 in the continued improvement of its infrastructure and services, both in Spain and in the rest of the countries where it is present.

In Spain, the company invested 42.5 million euros in the implementation of various projects. Specifically, 55.3% of this amount was devoted to investments in maintenance and business growth, which was necessary to ensure the optimum condition of infrastructure and the delivery of

value to customers; 20.6% to the renovation, extension and modernisation of equipment and the 10.2% to environmental and safety projects.

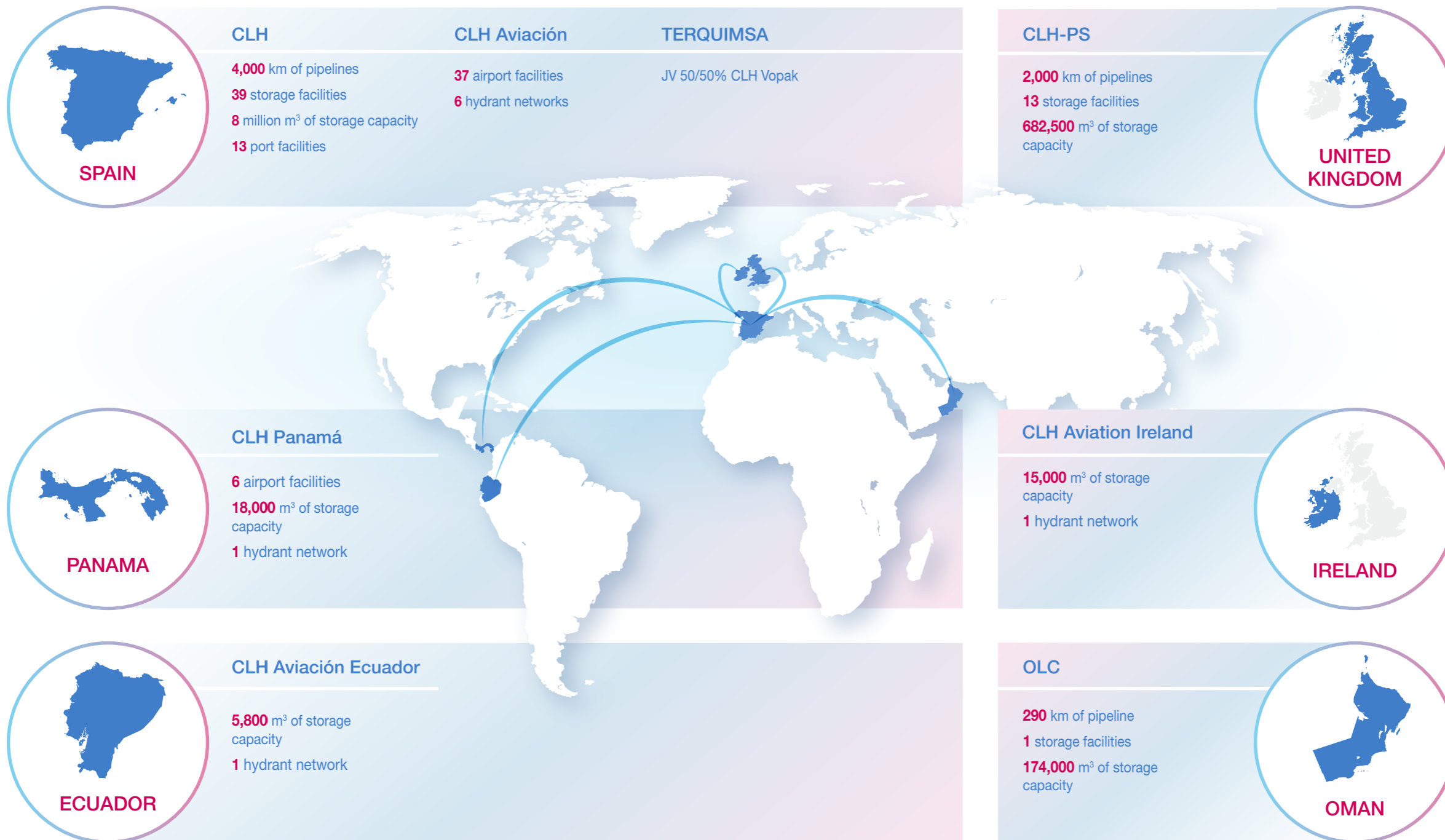
In the United Kingdom, CLH-PS invested 28.9 million euros to continue upgrading its logistics network in order to increase its efficiency and safety, both in commercial and military infrastructures.

CLH Aviation Ireland invested 6.4 million euros in the ongoing extension of the fuel terminal at Dublin Airport, where the hydrant network was completed.

For its part, CLH Panamá invested 2.6 million euros allocated to the acquisition of supply vehicles, and the remaining of investments to start operations at CLH Ecuador, a subsidiary of CLH Aviación that has been providing services at Guayaquil airport since November 2019, and to other international projects.



Activity of the CLH Group in the world





CLH

CLH is the leading company engaged in the transport and storage of oil products in the Spanish market. The company has one of the largest and most efficient integrated networks for the transport and storage of oil products in the world, with more than 4,000 kilometres of pipeline and 39 terminals with a storage capacity of over 8 million cubic metres.

CLH is engaged in the following activities:

- **Storage, transport and distribution** of oil products, primarily gasoline, diesel oil, kerosene, fuel oil and biofuel, on the Iberian Peninsula and the Balearic Islands.
- **Storage of strategic** and commercial reserves.
- **Provision of specialised services tailored to customers' needs:** biofuel blending, quality analysis and control, metrology and additivation, etc.

The integrated management of storage and transportation activities and the use of the latest technology allows the company to maintain a high level of efficiency; thus, it was able to keep the average price of its logistics services in 2019 below 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

Oil product deliveries from CLH facilities in Spain in 2019 amounted to 48 million cubic metres, which represents an increase of 1.4% over the previous year. This growth was due to increased demand for aviation products, the supply of products to foreign markets from CLH facilities and increased activity at third-party facilities connected to CLH's system.

Broken down by product, deliveries of gasoline and diesel oil rose by 1.3% compared to 2018, kerosene and aviation fuel increased by 5.4% and fuel oils and IFOs fell by 12.8% due to the closure of the Coruña Port facility in mid-2019. Furthermore, CLH continues to provide the naphtha dispatch service that started in December 2017, supplying nearly 1.5 million cubic metres in 2019.

The volume of oil products transported by pipeline reached 24.2 million tonnes. The company also transported 2.8 million tonnes by vessel, which represents a decrease of 3.2% compared to the previous year.

With regard to biofuel services, CLH managed 1.84 million cubic metres of biodiesel and HVO (hydrobiodiesel) and 0.23 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-line.



At 31 December 2019, the storage capacity of CLH in Spain was 7.8 million cubic metres, with 7.5 million being for clean products and 0.3 million for fuel oil and other product storage.

| ACTIVITY DATA

| | 2017 | 2018 | 2019 |
|---|--------|--------|--------|
| Deliveries from facilities (thousand cubic metres) | 46,003 | 46,880 | 47,531 |
| Gasoline and diesel oil (thousand cubic metres) | 36,879 | 36,066 | 36,544 |
| Gasoline (thousand cubic metres) | 5,656 | 5,715 | 6,089 |
| Diesel oil (thousand cubic metres) | 31,223 | 30,351 | 30,455 |
| Aviation fuels (thousand cubic metres) | 6,828 | 7,134 | 7,520 |
| Kerosene (thousand cubic metres) | 6,825 | 7,131 | 7,517 |
| Aviation gasoline (thousand cubic metres) | 3 | 3 | 3 |
| Naphtha (thousand cubic metres) | 86 | 1,376 | 1,458 |
| Fuel oil (thousand cubic metres) | 609 | 570 | 355 |
| Ifos (thousand cubic metres) | 1,602 | 1,734 | 1,654 |
| Actividad de los medios de transporte | | | |
| Tankers (thousand tonnes) | 2,493 | 2,874 | 2,782 |
| Oil pipelines (thousand tonnes) | 23,529 | 23,456 | 24,160 |

| CLH Aviación

CLH Aviación operates at 36 major airports in Spain and also provides services to the Airbus plant in Getafe. In addition, it has an extensive fleet of refuelling units and dispensers.

The company offers storage, distribution and into-plane services for aircraft fuels and lubricants. It also manages and provides advice and technical assistance for the installation and maintenance of distribution networks for different types of aviation fuels.

In 2019, after being awarded the AENA contract, the company commenced operations at all nine airports included in the tender, namely Burgos, Reus, Sabadell, San Sebastián, Valladolid, León, Granada, Melilla and Tenerife South. It also began operations at the privately-managed Ciudad Real International Airport (CRIA).

Tenerife South Airport is CLH Aviación's fifth largest airport in Spain, and its hydrant network is the sixth one the company manages in the country, along with Adolfo Suárez Madrid-Barajas, Barcelona-El Prat, Málaga, Palma de Mallorca and Alicante.

In 2019, CLH Aviación distributed more than 7 million cubic metres of fuel.





CLH-PS

CLH Pipeline System (CLH-PS) provides fuel storage and transport services to various military facilities and airports in the UK, such as Heathrow, Gatwick, Stansted and Manchester. To this end, it has a 2,000-kilometre pipeline system and 13 terminals with a capacity of nearly 700,000 million cubic metres.

In 2019, company activity and income experienced strong growth due to the new contracts signed the previous year. Furthermore, the management and operation of the Bramhall and Walton facilities was firmly consolidated after these functions were integrated into the CLH PS system once the lease agreements with third parties had expired.

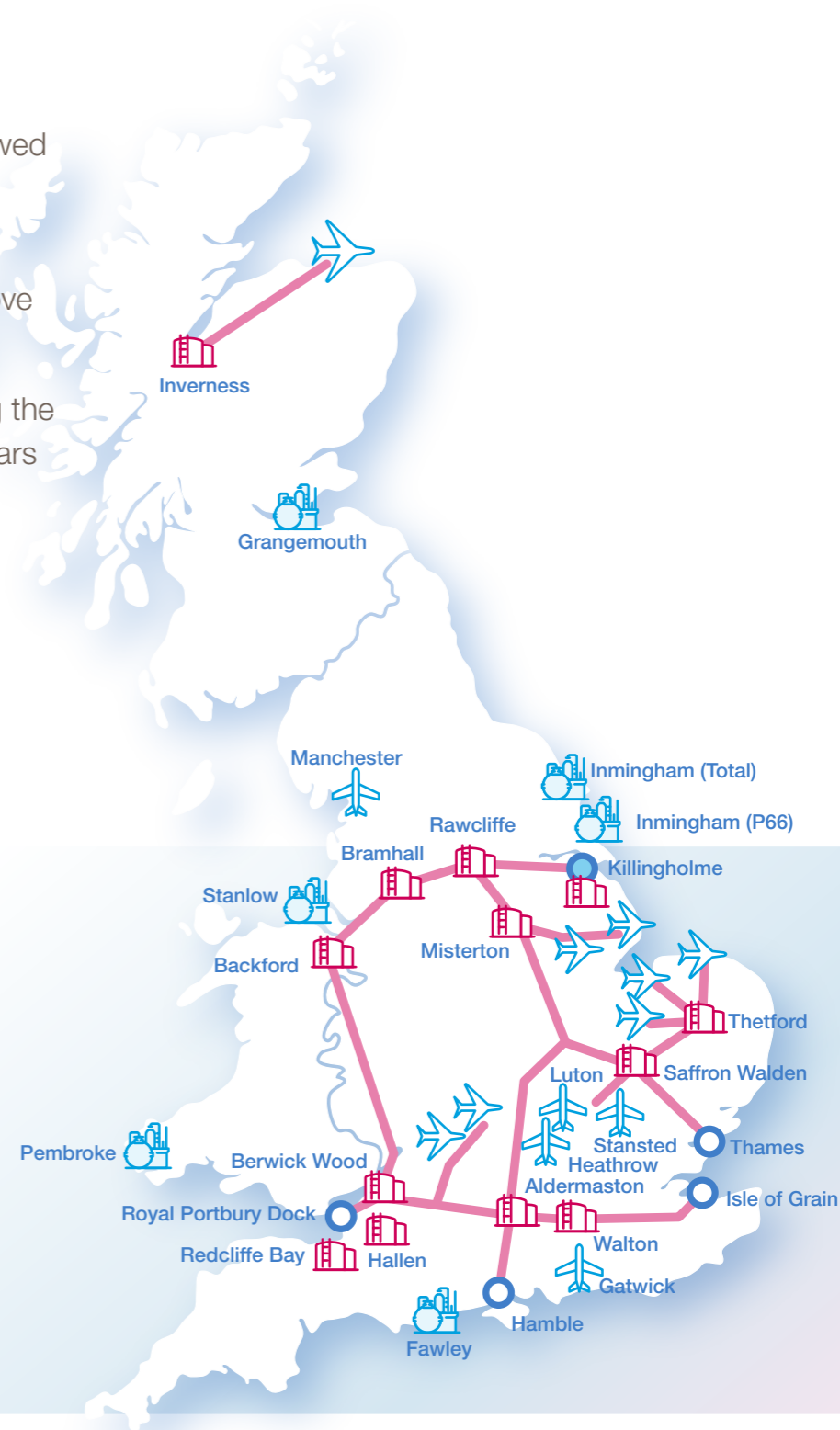
In 2019, CLH-PS signed an extension to the agreement concluded with the UK Ministry of Defence and invested significantly in its logistics network. In addition, it continued implementation of programmes to upgrade its core infrastructure to ensure alignment with regulations and asset reliability. In this regard, it should be noted that significant investment was made in the construction of new storage capacity in Inverness.

In 2019, the company also began to offer customers new services and routes and renewed the contracts with Q8 and BP.

In addition, CLH-PS introduced the Delta cultural change programme intended to improve management capacities and efficiency.

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

-  2,000 km of oil pipelines
-  13 Storage facilities
-  Airports
-  Refineries
-  Entry points
-  Third-party entry points
-  Military air base





CLH Aviation Ireland

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

The company is currently undertaking a major renovation of the fuel storage terminal at Dublin Airport, which includes the expansion of the plant's capacity and the construction of a new hydrant system that will enable faster and more efficient operations.

In 2019, CLH Aviation Ireland completed the mechanical and civil works for the new hydrant that will supply fuel to Pier 1 in Terminal 1. It also put the Jet A1 road tanker unloading areas into operation and added a fourth area, while automating fuel unit loading areas.

In 2019, supplies to the airport grew by 3.18% compared to the previous year. In addition, CLH Aviation Ireland signed a new contract with World Fuel Services (WFS), making it the fourth customer to use the company's logistics services at Dublin Airport. This gives airlines a wider choice of suppliers and has a significant impact on such a costly expense for airlines as fuel.

In addition, the company performed follow-up audits of the ISO 9001 quality, 14001 environmental and OHSAS 18001 safety management certifications, and no non-conformities were identified.

CLH Panamá

CLH Panamá operates the fuel terminals and provides into-plane fuelling services at six airports in Panama.

Founded in 2017 after the Panamanian government awarded CLH Aviación the contract for the storage and supply of fuel at Tocumen International Airport and four other regional airports, the company began commercial operations in 2018, and has since been awarded the contract for another airport – Marcos A. Gelabert Airport, also known as Albrook Airport. In 2019, the operation of these airports was consolidated.

In addition, the company continues to implement a major project to modernise the supply system at Tocumen airport, one of the largest on the American continent. In this regard, three new fuel storage tanks were put into service in 2019, thus increasing the airport's supply capacity, and the new Tocumen terminal was put into operation, which posed an operational challenge.

In 2020, there are plans to put the hydrant system for the new terminal at Tocumen into service and install a real-time communication system for all parties involved.



CLH Aviación Ecuador

CLH Aviación Ecuador, a wholly-owned subsidiary of CLH Aviación, began operation, management and into-plane fuelling services at José Joaquín de Olmedo International Airport in the city of Guayaquil (Ecuador) in November 2019 after being awarded the contract tendered by the airport management company, Terminal Aeropuerto Guayaquil S.A. (TAGSA).

The company will operate under a concession scheme for a period of ten years, for which purpose it has incorporated new supply vehicles and implemented improvements at the facility and in operations.

Since it began operations, the company has significantly improved the operation of the terminal and successfully resolved several non-conformities left by the previous operator. In addition, it has received several compliments from airline companies and bodies such ALTA and IATA for the quality of operations and into-plane fuelling services.

OLC

The OLC company is jointly owned by CLH (40%) and Omani company OQ, formerly Orpic (60%). It designed, constructed and started up of a new terminal 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.

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.

2019 was the first full year that all OLC assets were fully operational. The company managed almost 5 million cubic metres of gasoline, diesel oil and kerosene, which represents more than 70% of total domestic demand for these fuels.

TERQUIMSA

TERQUIMSA, in which Royal Vopak N.V. and CLH S.A. each own a 50% interest, is engaged in the receipt, storage and forwarding of bulk liquid products from its facilities in the ports of Tarragona and Barcelona.

TERQUIMSA has a total capacity of 643,000 cubic metres and stores more than 100 different oil, biofuel, chemical and petroleum products. In 2019, the company expanded the facilities in Tarragona by adding 7 new tanks with a total capacity of 27,500 cubic metres.

In 2019 the company handled more than 2.3 million tonnes of products.

Other companies in the CLH Group

To facilitate the international expansion of the CLH Group and promote diversification, CLH has set up various companies in the U.S.A., France, Mexico and Spain, with the initial goal of seeking out new business opportunities or the development and implementation of these opportunities. However, these companies are not currently engaged in any industrial activity.

Furthermore, in 2020 the CLH Group incorporated a new company under the name of Exolum, whose primary mission will be to promote the diversification of activities and entrepreneurship.



Our setting

The energy sector is currently undergoing a process of transformation in a bid to meet the triple challenge of reconciling supply safety with sustainability and competitiveness.

Despite the trend toward the decarbonisation of the energy sector and reducing emissions, society continues to depend on oil products and demand will therefore continue to rise.

Oil continues to be the most important primary energy in the world, and most business activities depend on oil as their power source, which accounts for around 31.4% of the world's energy needs.

In terms of volume, it is estimated that global demand will grow from 97 million barrels/day in 2019 to almost 106 million in 2040, according to the latest report by the International Energy Agency (IEA).

Although consumption will remain stable globally, consumption patterns will change. Therefore, the success of the business largely depends on the company's ability to define a sound strategy that will enable it to identify and mitigate the risks posed by the environment and exploit opportunities in this new market context.

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

Global energy demand, and in particular demand for oil products, continued to increase in 2019, driven by the economic development and growth of the world population. Demand growth in China was slower than in previous years, matching that of the U.S, while demand in Europe declined slightly.

In Spain, in particular, total demand for oil products fell by 7.8% compared to growth of 2.8% the previous year.

The latest World Energy Outlook report, published by the International Energy Agency, forecasts global growth in the demand for oil products of 0.95% per year in the lead-up to 2025 and 0.43% 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 to these perspectives is to promote the company's international expansion in growing markets, boosting the competitive advantages of the CLH Group, and seizing opportunities to develop new logistics infrastructure in other countries and businesses related to our core activity.

Likewise, the CLH Group is reinforcing its activity, 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

Driven by increased air traffic, aviation fuels continued to experience growth in 2019, increasing by 4.11%, compared to growth of 2.07% for gasoline and a 7.04% drop in demand for diesel oil. 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 and greater 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 US announcement of its withdrawal from the agreement in 2017, the pact will come into force as of 2020.

Specifically, 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 energies, 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.

In 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. It will also focus on RDI projects for the development of alternative energies, thus enabling us to contribute to the sustainability of the planet and gain a foothold in new sectors where the company's experience brings added value.

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 advantage, enhancing automation and remote management, predictive maintenance through big data techniques, the development of proprietary logistic system optimisation technologies, and advanced expert project engineering.

Accordingly, the CLH Group is laying the groundwork to become a data-driven company, thus allowing it to make informed strategic decisions based on data analysis and interpretation. To this end, it is designing new digital systems by developing cloud infrastructure and platforms in preparation for the implementation of digital initiatives that will allow it to secure efficiencies and even new business opportunities.



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 financial statements and decide on the allocation of the results.

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 organisation. 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.

Within the Board of Directors, there are complementary bodies to optimise corporate governance, such as the Audit Committee and the Appointments and Remuneration Committee.



Composition

In 2019 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.

The composition of the Board at 31 December is as follows:

| | |
|--------------------------------|--|
| CHAIRMAN | Mr José Luis López de Silanes Busto |
| CHIEF EXECUTIVE OFFICER | Mr Jorge Lanza Perea - Executive Director |
| MEMBERS | <p>Borchi Investments Holding B.V., represented by Mr Lee James Crossingham</p> <p>Borealis Spain Holdings B.V., represented by Mr Marco Pugliese</p> <p>Borealis Spain Parent B.V., represented by Mr Philippe Anastase Busslinger</p> <p>Borealis Spain Parent 2, B.V., represented by Mr Matthew Brian Liddle</p> <p>Castillo Spanish Holdings LP, represented by Mr Michael Francis Campbell</p> <p>Mr Jean Jacques Duchamp</p> <p>MEIF 5 Co-Invest Rey Investments, S.à.r.l., represented by Ms Irene Otero-Novas Miranda</p> <p>MEIF 5 Rey Holdings, S.L., represented by Mr Juan Sebastián Caño Sterck</p> <p>MEIF 5 Rey Investments, S.à.r.l., represented by D. Willem Smit</p> <p>MEIF 5 Rey Ventures, S.à.r.l., represented by D. Miguel Antoñanzas Alvear</p> <p>Mr Jean Baptiste Michel Renard</p> <p>Mr Juan Rodríguez Inciarte</p> <p>Servet Investments, S.à.r.l., represented by Mr Jan Reinier Voute</p> <p>Simcoe Titán, S.L., represented by Mr Guillermo Briones Godino</p> <p>Stichting Depositary APG Infrastructure Pool 2017 II, represented by Mr Carlo Maddalena</p> <p>Theatre Directorship Services Alpha, S.à.r.l., represented by Mr Juan Arbide Estensoro</p> <p>Theatre Directorship Services Beta, S.à.r.l., represented by Mr José Antonio Torre de Silva López de Letona</p> <p>Theatre Directorship Services Gama, S.à.r.l., represented by Mr Santiago Ramírez Larrauri</p> <p>Vaugirard Infra, S.L., represented by Mr Frédéric Jean Daniel Payet</p> |
| SECRETARY | Mr Luis Valero Quirós |



Board Committees

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.

| | |
|------------------|---|
| CHAIRMAN | Servet Investments, S.à.r.l., represented by Mr Jan Reinier Voute |
| MEMBERS | MEIF 5 Co-Invest Rey Investments, S.à.r.l., represented by Ms Irene Otero-Novas Miranda |
| | Borealis Spain Holdings B.V., represented by Mr Marco Pugliese |
| | Vaugirard Infra, S.L., represented by Mr Frédéric Jean Daniel Payet |
| | Stichting Depositary APG Infrastructure Pool 2017 II, represented by Mr Carlo Maddalena |
| SECRETARY | Mr 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 consists of four non-executive external directors, all of whom are proprietary directors.

| | |
|------------------|---|
| CHAIRMAN | Borealis Spain Parent B.V., represented by Mr Philippe Anastase Busslinger |
| MEMBERS | Castillo Spanish Holdings LP, represented by Mr Michael Francis Campbell |
| | Theatre Directorship Services Beta, S.à.r.l., represented by Mr José Antonio Torre de Silva López de Letona |
| | MEIF 5 Rey Holdings, S.L., represented by Mr Juan Sebastián Caño Sterck |
| SECRETARY | Mr 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 for 2019 is that the functioning and the performance of duties by the Board and its committees, chairman, chief executive officer and secretary have been satisfactory.

The information on remuneration accrued in 2019 by the directors and executives of the companies pertaining to the CLH Group is contained in the notes to the financial statements.



Management Committee

The Management Committee is an internal governance and oversight 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, which are submitted to the Board of Directors for final approval.
- Follow-up on the CLH Group's income statement.
- Planning of the company's operational needs in the short and medium 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.

COMPOSITION (AT 31 DECEMBER 2019):

| | |
|--|------------------------------|
| Chief Executive Officer | Jorge Lanza Perea |
| General Secretary and Secretary to the Board | Luis Valero Quirós |
| Chairman of CLH Pipeline System (CLH-PS) Ltd. and Corporate Transformation Manager | 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 Director | Cristina Jaraba Delgado |
| Corporate Communications 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 set out in the Code of Conduct, which includes guidelines for conduct applicable to people in the company, including senior management and directors, and compliance is also encouraged among suppliers, contractors and partners.

CLH also has an Ethics Committee that ensures compliance with the Code of Conduct and is responsible for promoting awareness of it. In addition, the company website and the Corporate Portal contain a Code of Conduct Mailbox so that any stakeholder can ask questions and receive clarification on ethics and integrity matters, as well as report any suspected breach in a confidential manner.

The Ethics Committee is also responsible for assessing such communications and deciding what action to take, depending on the nature of the case. In 2019 no communications were received in relation to bribery or corruption.

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 criminal incidents reported through the Code of Conduct Mailbox.

Moreover, the CLH Group guarantees equal opportunities in job recruitment and promotion. This commitment is materialised in the Equal Opportunities Plan and the Protocol for the prevention of and response to harassment at work.

In compliance with section 7.3 of the CLH Group's Protocol for the prevention of and response to harassment at work, which provides that statistical information on incidents of harassment at work shall be reported to the Ethics Committee. During 2019, two investigation processes have been initiated, one of them having concluded with the final report in which there is no evidence of harassment, which is why the file has been filed, while the other process of investigation is still ongoing

CLH policy on ethics, integrity and criminal risk prevention will also be applied to the company's international subsidiaries. Therefore, in 2019, CLH reviewed and simplified the regulations on ethics, integrity and criminal risk prevention in order to streamline them and enable their application in all companies of the CLH Group and in every jurisdiction in which it operates.

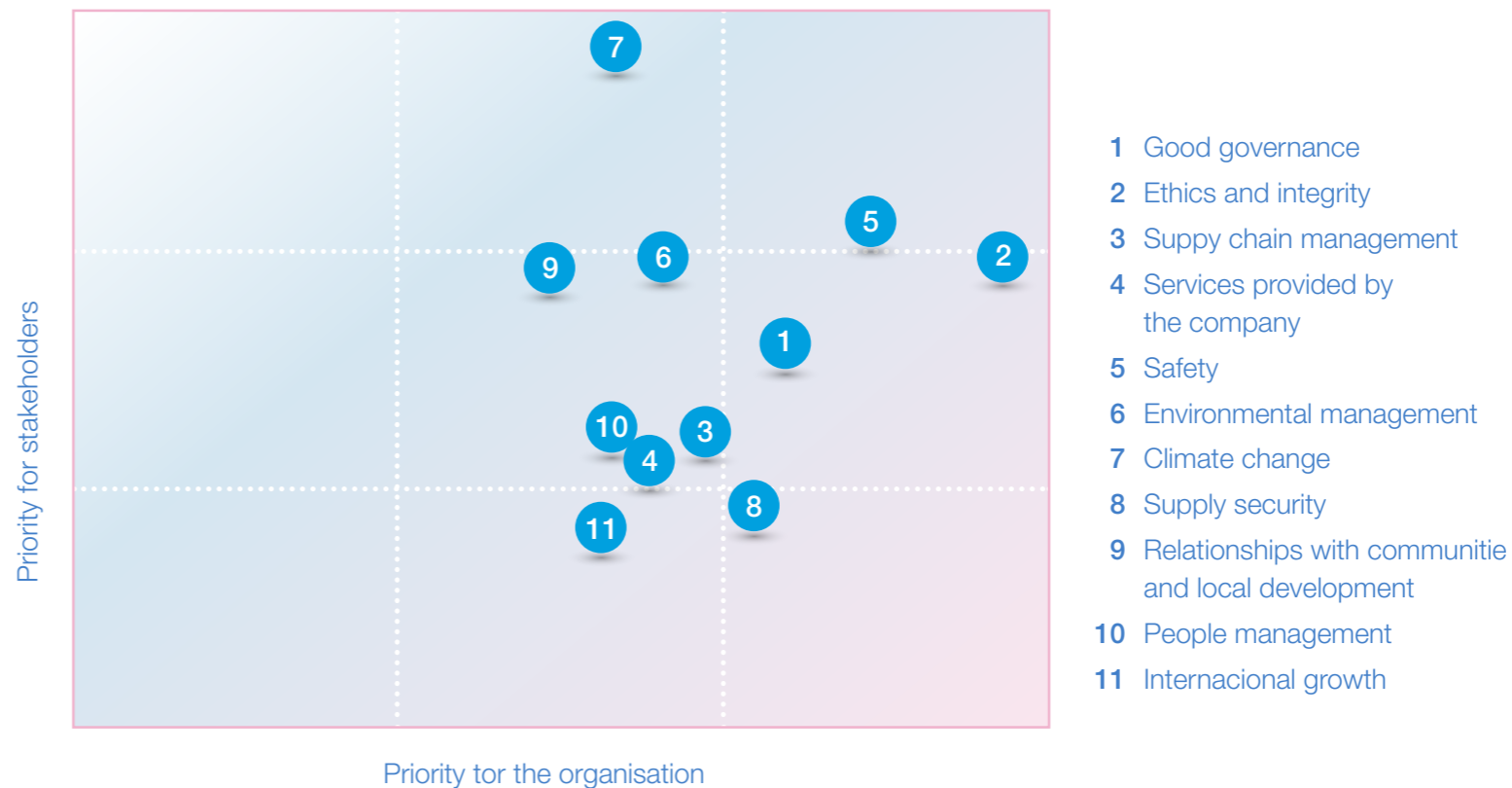


What we focus on

The contents of this report are based on the material issues identified by the CLH Group, which cover the expectations and perceptions of stakeholders related to the company, based on which, value is created in the short, medium and long term. In 2019, the company conducted an internal materiality review to verify the relevance of material issues.

The process to identify matters that are relevant to the company consists of 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.
- 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. The Risk Map is subject to the approval of the Audit Committee and monitored regularly.

In 2019, the Group updated the Risk Map for CLH, CLH Aviación and CLH PS, and estimated the financial impact on the income statement should the risks identified for CLH and CLH Aviación occur.

How we engage with others

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

The company uses its website and the main social media to report all types of information on its activities. In addition, it publishes a quarterly corporate magazine that is distributed to employees of the organisation and its main external contacts.

Moreover, CLH regularly participates in consulting sessions, newsletters, trade publications and surveys, to name a few.



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Generating value for our customers | 58

Creating value for our suppliers | 66

Creating value in society | 71

Creating value in our environment | 74



Creating value through CSR

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

- The **Strategic Plan**, which includes the company's main lines of work, 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**, included in the current Strategic Plan, which defines the actions of the company in such matters. The plan provides for the roll-out of the model to the Group's international businesses, after tailoring it to the conditions and specific features of the countries where these are located.

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 described in this report.



Creating value for our EMPLOYEES

ONE OF THE PRIORITIES OF THE CLH GROUP IS TO OFFER COMPANY EMPLOYEES A SATISFACTORY WORKING ENVIRONMENT AND AN ATTRACTIVE CAREER

One of the priorities of the CLH Group is to offer company employees a satisfactory working environment and an attractive career through training, career development, work-life balance, diversity, talent attraction and retention, and occupational health and safety policies.

The company also actively promotes responsible management in line with the principles of ethical behaviour enshrined in the Code of Ethics and corporate values.

The workforce of the CLH Group is made up of a total of 1,721 people, of whom 1,277 work in Spain and the remaining 444 in the other countries where the CLH Group operates

Workforce characteristics

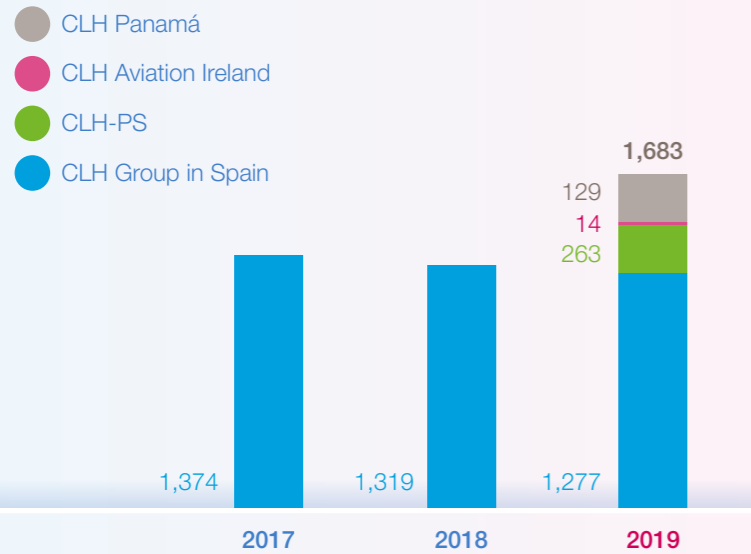
In 2019, the workforce of the CLH Group in Spain comprised 1,277 professionals, as well as seven employees working abroad on international projects (CLH-PS, OLC, CLH México, CLH Aviation Ireland and CLH América). For its part, CLH-PS has 263 employees, CLH Aviation Ireland, 14, CLH Panamá, 129, and CLH Aviación Ecuador, 33.

In Spain, the plans for termination of employment by mutual agreement, agreed with the workers' representatives, have allowed the company to align professional profiles with company needs.

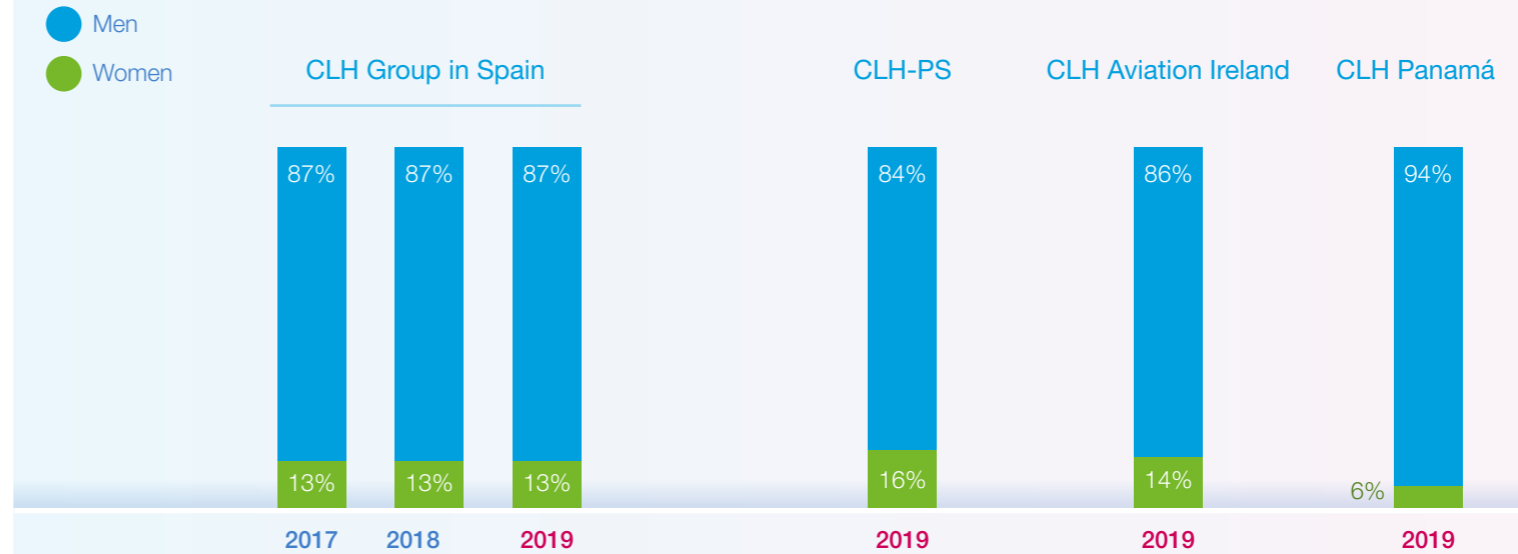
These plans have also promoted the creation of youth employment and the gradual incorporation of women into the workforce. During the 2015-2019 period in Spain, women accounted for 40% of technical new hires and 11% of total hires.



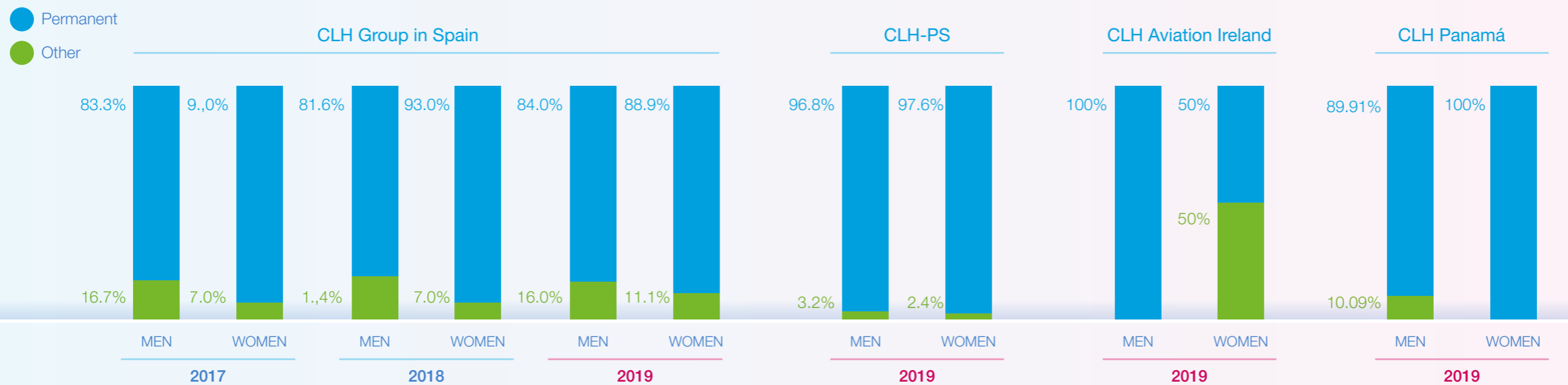
EVOLUTION OF THE WORKFORCE



PERCENTAGE DISTRIBUTION OF WORKFORCE BY GENDER



PERCENTAGE DISTRIBUTION BY TYPE OF CONTRACT, BROKEN DOWN BY GENDER





| OTHER WORKFORCE DIVERSITY INDICATORS

| | CLH Group in Spain | | | CLH-PS | CLH Aviation Ireland | CLH Panamá |
|--|--------------------|------|------|--------|----------------------|------------|
| | 2017 | 2018 | 2019 | 2019 | 2019 | 2019 |
| % international employees | 1.0% | 1.1% | 0.7% | 8.75% | 21.4% | 5.46% |
| Average age | 42.8 | 42.5 | 42.6 | 46.8 | 37 | 42.1 |
| % of women hired for technical positions | 42% | 14% | 56% | 0% | 50% | 2,3% |

| PERCENTAGE DISTRIBUTION BY PROFESSIONAL CATEGORY

| | CLH Group in Spain(*) | | | | | | CLH-PS | | CLH Aviation Ireland | | CLH Panamá | |
|---------------------------------|-----------------------|-------|-------|-------|-------|-------|--------|-------|----------------------|-------|------------|-------|
| | 2017 | | 2018 | | 2019 | | 2019 | | 2019 | | 2019 | |
| | Men | Women | Men | Women | Men | Women | Men | Women | Men | Women | Men | Women |
| Managers & Assistant Managers | 2.4% | 0.4% | 2.7% | 0.3% | 2.7% | 0.4% | 1.9% | 0.4% | – | – | – | – |
| Supervisors/Middle-managers | 7.6% | 2.3% | 7.8% | 2.4% | 8.1% | 2.3% | 14.1% | 1.1% | 21.4% | 7.1% | 1.6% | 2.3% |
| Professionals | 26.1% | 7.0% | 25.2% | 7.2% | 23.3% | 7.7% | 9.2% | 6.1% | 0.0% | 0.0% | 7.0% | 3.1% |
| Administrative staff | 5.8% | 2.8% | 4.9% | 1.9% | 5.2% | 2.2% | 1.9% | 8.0% | 0.0% | 7.1% | 8.6% | 1.6% |
| Specialists/Qualified operators | 44.5% | 1.0% | 46.5% | 1.2% | 47.3% | 0.9% | 56.9% | 0.4% | 64.3% | 0.0% | 72.7% | 0.0% |

(*) Recalculated using workforce data and new categories. Data for 2017-2019 have been recalculated.



| HOURS OF ABSENTEEISM

| | CLH Group in Spain | | | | CLH-PS | | CLH Aviation Ireland | | CLH Panamá | |
|--|--------------------|--------------|----------------|--------------|------------------|--------------|----------------------|--------------|--------------|--------------|
| | Hours 2018 | % | Hours 2019 | % | Hours 2019 | % | Hours 2019 | % | Hours 2019 | % |
| Theoretical hours | 2,351,361 | | 2,291,965 | | 471,934.52 | | 25,148 | | 266,237.952 | |
| Hours of absenteeism common illness + non-work-related | 93,331 | 3.97% | 109,598 | 4.78% | – | – | 190 | 0.75% | 5,640 | 2.12% |
| Hours of absenteeism accidents at work | 9,177.75 | 0.39% | 7,947 | 0.35% | 18,968.69 | 4.02% | – | – | 80 | 0.03% |
| Total hours lost | 102,508.75 | 4.36% | 117,545 | 5.13% | 12 | 0,00% | 190 | 0.75% | 5,720 | 2.15% |
| Women | | | | | | | | | | |
| Theoretical hours | 308,020.25 | | 286,375 | | 81,198.15 | | 3,065 | | 18,718.56 | |
| Hours of absenteeism common illness + non-work-related | 16,180 | 5.25% | 13,685 | 4.78% | 5,736.82 | 7.07% | 26 | 0.85% | 248 | 0.01% |
| Hours of absenteeism accidents at work | 457.5 | 0.15% | 16 | 0.01% | 0 | 0.00% | – | – | 0 | 0% |
| Total hours lost | 16,637.5 | 5.40% | 13,700 | 4.78% | 5,736.82 | 7.07% | 26 | 0.85% | 248 | 0.01% |
| Men | | | | | | | | | | |
| Theoretical hours | 2,043,340.75 | | 2,005,590 | | 39,0736.37 | | 22,083 | | 247,519,392 | |
| Hours of absenteeism common illness + non-work-related | 77,151 | 3.78% | 95,914 | 4.78% | 13,231.87 | 3.39% | 152 | 0.69% | 5,392 | 2,18% |
| Hours of absenteeism accidents at work | 8,720.25 | 0.43% | 7,931 | 0.40% | 12 | 0.00% | – | – | 80 | 0.032% |
| Total hours lost | 85,871.25 | 4.20% | 103,845 | 5.18% | 13,243.87 | 3.39% | 152 | 0.69% | 5,472 | 2.21% |



Satisfactory working conditions

The CLH Group guarantees equal opportunities in job recruitment and promotion. In Spain, this commitment is materialised in the Equal Opportunities Plan for CLH and CLH Aviación and the Protocol for the prevention of and response to harassment at work.

In 2019, the CLH Group in Spain implemented a number of initiatives to strengthen equal opportunities and promote a more diverse working environment.

Accordingly, the company adopted different codes and manifestos, such as the EJE&CON Code of Good Practices and the “En energía, no sin mujeres” (Energy, Not Without Women) manifesto, and participated in equality programmes such as “Programa Promociona” and “Proyecto Progresas”. In addition, the CLH Group has a Talent Committee whose objectives include studying female talent in the company and proposing talent development activities. Symposiums and meetings on diversity and gender equality were also organised during the year.

The CLH Group pays the same base salary to all employees in the same professional category and development level. The entry-level salary in the CLH Group in Spain for the lowest category is 19,936.74 euros per annum, which is almost double the national minimum wage.

In Spain, any differences in the final wage rate of men and women are not gender-related, but can be accounted for by differences in the average length of service of employees in the company and in the job, which tends to level out over time. This situation is primarily due to the company’s historical gender composition, which means that men generally have a longer service record than women, in line with the industry norm.

| | CLH Group in Spain | | CLH-PS | | CLH Aviation Ireland | |
|--------------------------------|--------------------|--------|-----------|-----------|----------------------|--------|
| | Man | Women | Man | Women | Man | Women |
| Minimum wage by gender (€) | 20,216 | 23,624 | 14,160,00 | 24,333,95 | 45,000 | 33,500 |
| National minimum wage 2019 (€) | 12,600 | 12,600 | 9,066,01 | 18,891.21 | 19,872 | 19,872 |
| Ratio | 160% | 187% | 156% | 129% | 226% | 169% |



| AVERAGE REMUNERATION BY CATEGORY. (€)

| | CLH Group in Spain | CLH-PS | CLH Aviation Ireland | CLH Panamá |
|---------------------------------|--------------------|---------|----------------------|------------|
| Managers and Assistant Managers | 196,750 | 108,615 | – | – |
| Supervisors/Middle-managers | 81,847 | 56,799 | 55,706 | 44,250 |
| Professionals | 57,521 | 48,131 | – | 12,279 |
| Administrative staff | 43,168 | 21,075 | 30,546 | 9,959 |
| Specialists/Qualified operators | 40,407 | 32,101 | 45,686 | 8,811 |

| AVERAGE REMUNERATION BY AGE. (€)

| | CLH Group in Spain | CLH-PS | CLH Aviation Ireland | CLH Panamá |
|-------|--------------------|--------|----------------------|------------|
| >50 | 75,571 | 42,653 | 45,315 | 13,029 |
| 30-50 | 50,474 | 52,781 | 46,960 | 9,464 |
| <30 | 35,402 | 31,126 | 39,250 | 9,592 |

| PAY GAP. (€)

| | CLH Group in Spain | | | CLH-PS | | | CLH Aviation Ireland | | |
|-------------------------------------|--------------------|---------|---------|------------|------------|---------|----------------------|--------|---------|
| | Man | Women | Pay gap | Man | Women | Pay gap | Man | Women | Pay gap |
| Managers and Assistant Managers (*) | 204,843 | 141,714 | -30.8% | 146,136.02 | 118,000.00 | -19.25% | – | – | – |
| Supervisors/Middle-managers | 81,340 | 83,644 | 2.8% | 72,979.18 | 74,469.31 | 2.04% | 66,809 | 33,500 | -49.86% |
| Professionals | 57,289 | 58,224 | 1.6% | 64,862.37 | 56,842.98 | -12.36% | – | – | – |
| Administrative staff | 43,990 | 41,200 | -6.3% | 39,825.00 | 28,963.21 | -27.27% | – | – | – |
| Specialists/Qualified operators | 40,380 | 41,879 | 3.7% | 41,258.51 | 45,404.17 | 10.05% | – | – | – |

(*) The ratio of women to men is lower and women generally have less seniority in the job.

| OTHER SALARY INDICATORS

| | CLH Group in Spain | | | CLH-PS | CLH Aviation Ireland |
|---|--------------------|------|------|--------|----------------------|
| | 2017 | 2018 | 2019 | 2019 | 2019 |
| Ratio between the remuneration of the highest paid employee and the average received by the rest of the employees | 13 | 13 | 12 | 3.2 | 1.6 |
| Ratio between the remuneration of the highest paid employee and the remuneration of the lowest paid employee | 22 | 21 | 20 | 10.3 | 2.2 |
| Ratio between the increase in the remuneration of the highest paid employee and the average increase in the remuneration of all employees | 0 | 0 | 0.6 | 1.18 | 2.2 |



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 permanent contracts in the CLH Group in Spain was 85% in 2019. The figure was 86% if internship contracts are included. The percentage of resignations was 3.90%. The average length of service for employees in Spain was 14.7 years.

In 2019 in Spain, the company signed two new partnership agreements with the Prodis Foundation and the ONCE Foundation to promote the occupational integration of persons with disabilities.

STAFF RECRUITMENT



COLLECTIVE BARGAINING

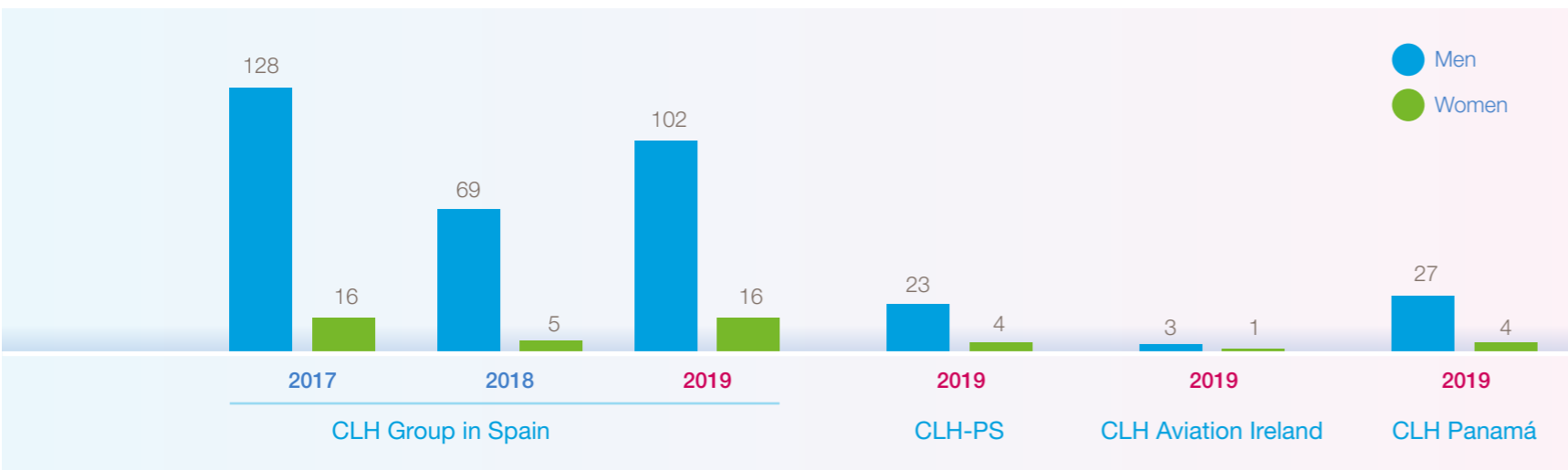
| | CLH Group in Spain | | | CLH-PS | CLH Aviation Ireland | CLH Panamá |
|--|--------------------|-------|-------|--------|----------------------|------------|
| | 2017 | 2018 | 2019 | 2019 | 2019 | 2019 |
| Employees covered by collective agreements | 1,140 | 1,088 | 1,042 | 114 | 14 | 112 |
| Percentage | 83% | 82% | 82% | 43.35% | 100% | 87.5% |

AVERAGE LENGTH OF SERVICE OF THE WORKFORCE

| | CLH Group in Spain | | | CLH - PS | CLH Aviation Ireland | CLH Panamá |
|---|--------------------|-------|-------|----------|----------------------|------------|
| | 2017 | 2018 | 2019 | 2019 | 2019 | 2019 |
| Average length of service | 15.7 | 14.8 | 14.7 | 8.3 | 2.1 | 7.8 |
| Voluntary turnover (undesired resignations) | 0.63% | 1.23% | 3.90% | 18% | 2.43% | 9.37% |



| RECRUITMENT, BROKEN DOWN BY GENDER



| REDUCTIONS IN STAFF, BROKEN DOWN BY GENDER

| | CLH Group in Spain | | | | CLH-PS | | CLH Aviation Ireland | | CLH Panamá | | | |
|----------------|--------------------|-------|-------|-------|--------|-------|----------------------|--------|------------|-------|-------|------|
| | 2017 | | 2018 | | 2019 | | 2019 | | 2019 | | | |
| | Men | Women | Men | Women | Men | Women | Men | Women | Men | Women | | |
| Total turnover | 182 | 19 | 164 | 20 | 192 | 18 | 22 | 9 | 3 | 0 | 34 | 0 |
| Turnover rate | 14.8% | 10.1% | 13.7% | 11.1% | 16.5% | 10.7% | 9.95% | 21.95% | 21% | 0% | 26.6% | 0.0% |

* Recalculated using workforce data and new categories. Data for 2017-2019 have been recalculated.

| RECRUITMENT, BROKEN DOWN BY AGE GROUP. TOTAL NEW HIRES

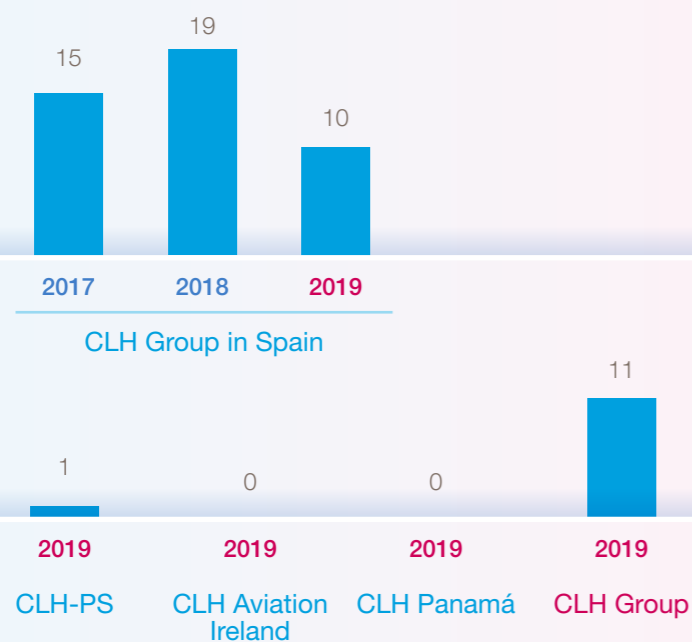
| | 2017 | | | 2018 | | | 2019 | | |
|----------------------|-----------|-------------|-----------|-------|-------------|-----------|-----------|-------------|-----------|
| | <30 years | 30-50 years | >50 years | <30 v | 30-50 years | >50 years | <30 years | 30-50 years | >50 years |
| CLH Group in Spain | 61 | 82 | 1 | 25 | 47 | 2 | 43 | 73 | 2 |
| CLH-PS | - | - | - | - | - | - | 12 | 8 | 7 |
| CLH Aviation Ireland | - | - | - | - | - | - | 2 | 2 | 0 |
| CLH Panamá | - | - | - | - | - | - | 6 | 22 | 3 |



| REDUCTIONS IN STAFF, BROKEN DOWN BY AGE GROUP

| | 2017 | | | 2018 | | | 2019 | | |
|-----------------------------|-----------|-------------|-----------|-----------|-------------|-----------|-----------|-------------|-----------|
| | <30 years | 30-50 years | >50 years | <30 years | 30-50 years | >50 years | <30 years | 30-50 years | >50 years |
| CLH Group in Spain | | | | | | | | | |
| Total turnover | 17 | 79 | 105 | 20 | 80 | 84 | 31 | 125 | 54 |
| Turnover rate | 11.0% | 9.4% | 27.6% | 15.5% | 9.2% | 26.6% | 28.7% | 14.3% | 18.4% |
| CLH-PS | | | | | | | | | |
| Total turnover | – | – | – | – | – | – | 4 | 11 | 16 |
| Turnover rate | – | – | – | – | – | – | 13.7% | 9.73% | 13.33% |
| CLH Aviation Ireland | | | | | | | | | |
| Total turnover | – | – | – | – | – | – | 1 | 2 | 0 |
| Turnover rate | – | – | – | – | – | – | 7% | 14% | 0% |

| NUMBER OF EMPLOYEES WITH DISABILITIES



| DISMISSALS BY GENDER, AGE GROUP AND PROFESSIONAL CATEGORY

| | CLH Group in Spain | | CLH-PS | CLH Aviation Ireland | CLH Panamá |
|---------------------------------|--------------------|------|--------|----------------------|------------|
| | 2018 | 2019 | 2019 | 2019 | 2019 |
| Men | 2 | 5 | 7 | 0 | 3 |
| Women | 1 | 1 | 3 | 0 | – |
| <30 | 0 | 0 | 2 | 0 | – |
| 30-50 | 2 | 3 | 1 | 0 | 3 |
| >50 | 1 | 2 | 7 | 0 | – |
| Managers and Assistant Managers | 0 | 0 | 0 | – | – |
| Supervisors/Middle-managers | 1 | 2 | 1 | 0 | 2 |
| Professionals | 0 | 0 | 0 | – | 1 |
| Administrative staff | 1 | 1 | 1 | 0 | – |
| Specialists/Qualified operators | 1 | 3 | 8 | 0 | – |



Recruitment of new talent

The CLH Group's recruitment processes are based on objective and transparent criteria, promote equal opportunities and seek to attract the best talent to meet the company's current and future challenges. Furthermore, in order to foster cross-disciplinary learning and retain internal talent, the company promotes actions for horizontal career development, promotions and appointments.

CLH has a scholarship programme that gives university, vocational training and dual vocational training students the opportunity to receive on-the-job training. In 2019, the company took on 59 interns from different education centres and provinces, of whom 18 were eventually hired.

CLH participates in different employment forums and fairs, such as Induforum and Induempleo organised by the Polytechnic University of Madrid.

CLH also aims to attract international talent by collaborating with Interngroup, through which it takes on one or two foreign interns each year. In addition, CLH has also offered students from different Spanish education centres Erasmus work placements at its facilities abroad.

CLH took part in the third edition of "Compartiendo Talento" (Sharing Talent), a career development programme that promotes networking the new skills development through mentoring, and in the "Promociona" and "Progresas" programmes to promote career progression for women.

In 2019, CLH-PS took on four interns under a new learning programme in the UK. The interns study at university for one year and complete their training with an internship in the company

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 more than 65 employee benefits and work-life balance measures, such as reduced working hours in the summer months, and 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 for maternity leave, time off for feeding the baby, for the birth of a child, serious illness or hospitalisation of family members, moving house and attending exams.

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



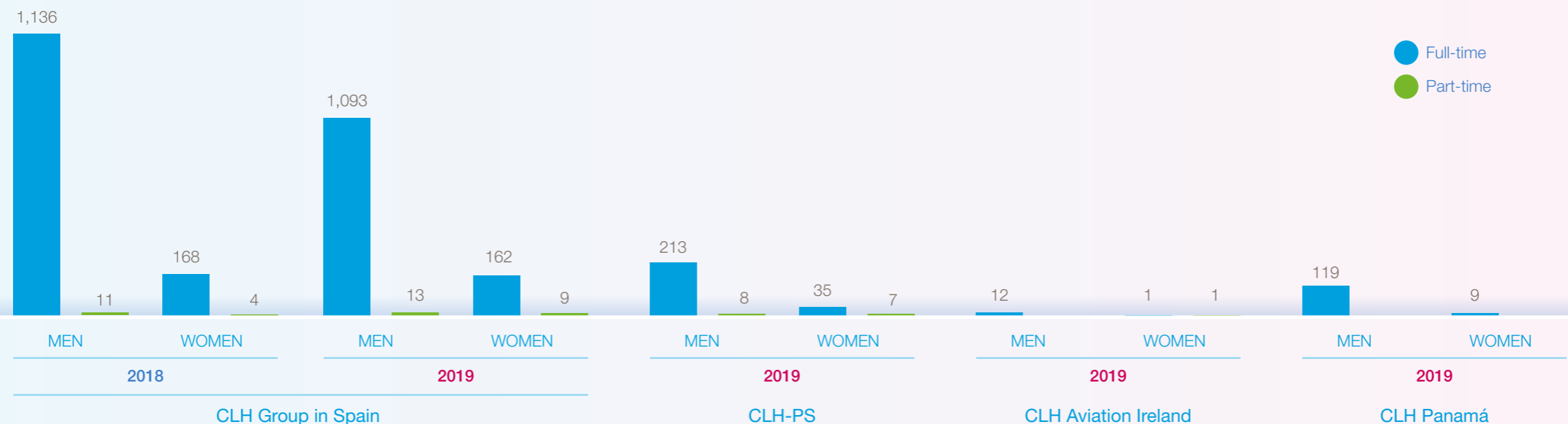
In 2019, the CLH Group in Spain introduced two new employee benefits: the Corporate Benefits platform offering employees a range of discounts, and the Baby Hamper, a personalised gift for new parents.

In addition, CLH Spain has signed an agreement with a financial institution for membership of a Partner Bank programme that allows employees to contract banking products and financial services under advantageous conditions

All of these measures have helped the CLH Group in Spain to earn the EFR (Family Responsible Company) certificate, with a rating of “B+ Proactive”, and resulted in its shortlisting as a finalist in the latest edition of the 2019 Flexible Company awards.

THE CLH GROUP IN SPAIN TO EARN **THE EFR (FAMILY RESPONSIBLE COMPANY) CERTIFICATE**, WITH A RATING OF “B+ PROACTIVE”, AND RESULTED IN ITS SHORTLISTING **AS A FINALIST** IN THE LATEST EDITION OF THE 2019 FLEXIBLE COMPANY AWARDS.

| NUMBER OF EMPLOYEES, BROKEN DOWN BY WORKING HOURS AND GENDER





| PARENTAL LEAVE

| | CLH Group in Spain | | | | | | CLH-PS | | CLH Aviation Ireland | | CLH Panamá | |
|---|--------------------|-------|------|-------|------|-------|--------|-------|----------------------|-------|------------|-------|
| | 2017 | | 2018 | | 2019 | | 2019 | | 2019 | | 2019 | |
| | Men | Women | Men | Women | Men | Women | Men | Women | Men | Women | Men | Women |
| Number of employees entitled to leave | 62 | 12 | 56 | 7 | 54 | 6 | 5 | 1 | 1 | 0 | 4 | 0 |
| Number of employees who took leave | 60 | 12 | 56 | 7 | 53 | 6 | 5 | 1 | 0 | 0 | 4 | 0 |
| Number of employees who returned to work at the end of their leave | 59 | 12 | 54 | 7 | 53 | 6 | 5 | 1 | – | – | 4 | 0 |
| Number of employees who returned to work at the end of their leave and continued working twelve months after their return | 59 | 12 | 51 | 7 | 53 | 6 | 1 | 2 | – | – | 4 | 0 |

Employee well-being

In 2019, CLH rolled out the HappyForce mobile application to 300 workers with the aim of measuring employee satisfaction continuously and anonymously. The results of this pilot programme were positive, with 72% of participants claiming they were satisfied. In November, it was rolled out to an additional 500 employees, and the participation rate was 75%.

The application allows different categories to be measured, with the most noteworthy being the “positive attitude” of the workforce, which obtained a score of 8 out of 10 and encompasses four different areas: conflict management, problem solving, work purpose and teamwork. Another category assessed was “inclusion and diversity”, which scored 8.5 out of 10, and CLH’s role in implementing initiatives in this area was very positively rated.

The application allows the company to receive anonymous feedback through comments and identifies situations that might otherwise go undetected. Based on this feedback, action plans are drawn up to improve internal customer services in an ongoing, timely and effective manner.



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 69 people were promoted to positions with greater responsibility in 2019, while 157 others moved up to a higher level of development.

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

PERFORMANCE ASSESSMENT OF BROKEN DOWN BY PROFESSIONAL CATEGORY AND GENDER. 2019

| | CLH Group in Spain | | CLH-PS | | CLH Aviation Ireland | | CLH Panamá | |
|---------------------------------|--------------------|-------|--------|-------|----------------------|-------|------------|-------|
| | Men | Women | Men | Women | Men | Women | Men | Women |
| Managers and Assistant Managers | 33 | 5 | 5 | 0 | – | – | – | – |
| Supervisors/Middle-managers | 113 | 31 | 31 | 5 | 2 | 1 | 2 | 3 |
| Professionals | 314 | 99 | 18 | 15 | – | – | 3 | 3 |
| Administrative staff | 1 | 2 | 2 | 17 | – | 1 | – | 1 |
| Specialists/Qualified operators | 383 | 2 | 52 | 0 | 9 | – | – | – |

PERFORMANCE ASSESSMENT

| | CLH Group in Spain (*) | | | | | | CLH-PS | | CLH Aviation Ireland | | CLH Panamá | |
|---|------------------------|--------|----------|--------|----------|--------|--------|--------|----------------------|-------|------------|-------|
| | 2017 | | 2018 | | 2019 | | 2019 | | 2019 | | 2019 | |
| | Men | Women | Men | Women | Men | Women | Men | Women | Men | Women | Men | Women |
| Active average staff (a) | 1,231 | 188 | 1,197.85 | 180.42 | 1,163.64 | 168.43 | 221 | 42 | 12.4 | 0.58 | 118 | 9 |
| Number of employees who receive a formal performance assessment and review during the period (b) | 594 | 138 | 684 | 150 | 844 | 139 | 107 | 38 | 12 | 2 | 5 | 7 |
| Percentage of employees receiving a formal performance assessment and review during the period (b/a | 50.30% | 76.50% | 57.10% | 83.13% | 72.5% | 82.52% | 48.42% | 90.47% | 100% | 100% | 4% | 77% |

(*) Recalculated using workforce data and new categories. Data for 2017-2019 have been recalculated.



Training

Investments in training the CLH Group in Spain exceeded 670,000 euros in 2019. The company launched several innovative initiatives, including:

- Participation in career development and progression programmes for women. In addition to “Promociona”, in 2019, the company participated in a new programme, “Progresa”, to promote career progression for women in more junior positions.
- Roll-out of the online training course on “Ethics, integrity and security at CLH” to employees that had not yet received the training. Of the staff invited to take the course, 135 people, or 46%, completed it.

- Online training on “The General Data Protection Regulation” tailored to the company’s situation. The aim of the course was to raise awareness of the new regulation and the importance of personal data processing. During the almost three months the training was available, 867 employees completed the course.

- Safety training: as one of the actions for improvement identified in the safety survey, in 2019 safety training was provided to company managers in order to raise awareness and foster a culture of safety among managers and, hence, their teams. The course, called “Leading Safety Performance”, will be accompanied with coaching sessions that will be conducted in 2020.

In total, seven training workshops were organised and attended by 86 managers.

INVESTMENTS IN TRAINING THE CLH GROUP IN SPAIN EXCEEDED **670,000 EUROS** IN 2019.

INVESTMENT IN TRAINING BY THE CLH GROUP. Euros

| | CLH Group in Spain | | | CLH-PS | CLH Aviation Ireland | CLH Panamá |
|-------------------------|--------------------|---------|---------|---------|----------------------|------------|
| | 2017 | 2018 | 2019 | 2019 | 2019 | 2019 |
| Investment per employee | 576 | 516 | 509 | 942 | 1.622 | 11 |
| Total investment | 816,949 | 711,329 | 677,527 | 257,202 | 22,702 | 1,440 |



- Promotion of online training on safety and prevention. New bespoke courses were developed to ensure standardised and quality training. The courses included Occupational Health and Safety for fuel operators newly recruited by CLH Aviación, and training on exposure to chemical agents for CLH staff.
- On-site informative sessions and online knowledge pills and guidelines on different computer programmes, such as Office 365, Teams and Power BI.

In 2019, the CLH Group also organised training and career development programmes on the following topics:

- Simulators for skills development using game-based learning techniques.
 - Leadership training, such as the “Keys to Effective Leadership” and “Executive Leadership and People Management” programmes.
 - Programmes such as “One Team”, aimed at strengthening cooperation, teamwork, cross-functional communication and customer focus.
 - Other career development programmes: PDD in Company, conducted in collaboration with the IESE Business School and other companies in the energy sector, which was attended by 10 participants from the CLH Group, and the “Compartiendo Talento” (Sharing Talent) programme, where a group of companies present their best practices and skills are improved through mentoring and shadowing.
- Courses for internal trainers, such as the “Formar con Talento” (Train with Talent) initiative, where participants are taught the keys to becoming excellent trainers. In 2019, part of the internal trainer team rolled out the first training on Career Development at CLH, which was very well received by the specialist job category.
 - Design of job-specific training by the company’s different management departments in order to standardise training and provide employees with the most appropriate training according to their role in the organisation.



| AVERAGE HOURS OF TRAINING IN THE CLH GROUP, BROKEN DOWN BY GENDER

| | CLH | | | CLH Aviación | | | CLH-PS | CLH Aviation Ireland | CLH Panamá |
|-------|------|------|------|--------------|------|------|--------|----------------------|------------|
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 | 2019 | 2019 | 2019 |
| Men | 33 | 35 | 31 | 34 | 40 | 30 | 38 | 40 | 20 |
| Women | 44 | 47 | 34 | 33 | 32 | 30 | 33 | 20 | 16 |

Recalculated using workforce data and new categories. Data for 2017-2019 have been recalculated.

| AVERAGE HOURS OF TRAINING, BROKEN DOWN BY GROUP

| | CLH Group in Spain (*) | | | | | | CLH-PS | | CLH Aviation Ireland | | CLH Panamá | |
|---------------------------------|------------------------|-------|------|-------|------|-------|--------|--------|----------------------|-------|------------|-------|
| | 2017 | | 2018 | | 2019 | | 2019 | | 2019 | | 2019 | |
| | Men | Women | Men | Women | Men | Women | Men | Women | Men | Women | Men | Women |
| Managers and Assistant Managers | 78 | 109 | 76 | 101 | 56 | 104 | 45.4 | 67 | - | - | - | - |
| Supervisors/Middle-managers | 46 | 66 | 53 | 62 | 40 | 35 | 19.67 | 214 | 45 | 30 | 11 | 16 |
| Professionals | 43 | 53 | 37 | 55 | 33 | 39 | 81.83 | 17.875 | - | - | - | - |
| Administrative staff | 11 | 5 | 7 | 6 | 9 | 6 | 23.2 | 12.380 | - | 10 | 21 | - |
| Specialists/Qualified operators | 27 | 19 | 35 | 28 | 29 | 18 | 26.95 | 19 | 35 | - | - | - |

(*) Recalculated using workforce data and new categories. Data for 2017-2019 have been recalculated.



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.

In 2019, the company and the UGT, CCOO and CGT trade unions, through the Negotiating Committee, signed a preliminary Collective Bargaining Agreement for CLH employees covering the 2016-2019 period. Among other aspects, the preliminary agreement provides for the inclusion in the new Collective Bargaining Agreement of the content of the Partial Agreements signed during the negotiation process. Furthermore, the new 2016-2019 Agreement will maintain the automatic renewal clause provided for in the Partial Agreement of January 2018.

In 2019, CLH Aviación and the UGT, CCOO and CGT trade union sections of CLH Aviación signed a Memorandum of Understanding in relation to the Reassignment of Staff and Permanent Contracts. Consequently, in cases where positions are required to be filled by internal staff, priority is given to applications for relocation from surplus staff following the cessation of company activity in the airports of San Javier, Málaga and Palma de Mallorca, where AENA did not award CLH the contract in the new tender process. In addition, the company agreed to conclude up to six permanent contracts after staff that had been on permanent contracts terminated their employment with the company by mutual agreement.

THE CLH GROUP GUARANTEES ITS STAFF THE FREEDOM TO AFFILIATE WITH ASSOCIATIONS AND UNIONS THAT DEFEND AND PROTECT THEIR RIGHTS

At both CLH and CLH Aviación in Spain, the Framework Agreements for the Termination of Contracts by mutual agreement are still in force or new ones have been signed, both for 2019 and 2020.



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 (CISS) 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 workplaces with more than 50 employees have a Local Health and Safety Committee. Furthermore, company employees are represented by prevention delegates at all workplaces 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.

In 2019, a study was carried out in Spain in conjunction with an external company to identify actions for improvement in the area of safety. The first stage of the project entailed the distribution of an online survey to the staff of CLH and CLH Aviación in Spain in addition to a number of contractors.

A series of focus groups were then held to expand on and compare the results of the surveys, and personal interviews were conducted with key positions in the organisation.

Following the study and based on the findings, several training programmes on leadership and safety were designed and provided to staff. The programmes include specific training on good security practices, prevention culture and human factors.

A Road Safety campaign was also launched in 2019 in Spain, with simulators and videos providing road safety tips. In addition, campaigns that were already underway continued, such as the "5.5 Chats", which aim to address safety for five minutes on the fifth of each month.

For its part, CLH-PS has implemented a Cultural Change Plan, called Delta, that includes awareness-raising programmes for health and safety.

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.

THE CLH GROUP HAS A **JOINT HEALTH AND SAFETY COMMITTEE (CISS)**, AN **OCCUPATIONAL HEALTH AND SAFETY COMMITTEE** AT THE COMPANY'S HEAD OFFICE AND A **LOCAL HEALTH AND SAFETY COMMITTEE** AT CENTRES WITH MORE THAN 50 WORKERS.



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

| | 2018 | | | 2019 | | |
|---|--------------------|--------------|------------|--------------------|-----------|---------|
| | CLH Group in Spain | Men | Women | CLH Group in Spain | Men | Women |
| Average workforce | 1,378.25 | 1,198.29 | 179.96 | 1,277 | 1,111 | 166 |
| Hours worked | 2,237,996.67 | 1,897,247.24 | 289,277.18 | 2,174,420 | 1,901,745 | 272,675 |
| Accidents with leave | 7 | 7 | 0 | 9 | 9 | 0 |
| Accidents without leave | 1 | 1 | 0 | 1 | 1 | 0 |
| No. of working days lost | 172 | 172 | 0 | 266 | 266 | 0 |
| FR (Frequency Rate) for every 200,000 hours worked | 0.63 | 0.72 | 0.00 | 0.83 | 0.95 | 0 |
| FR (Frequency Rate) for every 1,000,000 hours worked | 3.13 | 3.60 | 0 | 4.14 | 4.73 | 0 |
| TFR (Total Frequency Rate) for every 200,000 hours worked | 0.71 | 0.82 | 0.00 | 0.92 | 1.05 | 0 |
| TFR (Total Frequency Rate) for every 1,000,000 hours worked | 3.57 | 4.12 | 0 | 4.60 | 5.26 | 0 |
| SR (Severity Rate) for every 1,000 hours worked | 0.08 | 0.09 | 0.00 | 0.12 | 0.14 | 0 |

| ACCIDENT FREQUENCY RATE CLH GROUP IN SPAIN

| | 2017 | | 2018 | | 2019 | |
|---------------------------------------|------|-------|------|-------|------|-------|
| | Men | Women | Men | Women | Men | Women |
| Accident Frequency Rate* (with leave) | 3.54 | 0 | 0.72 | 0 | 4.73 | 0 |
| Accident Severity Rate** | 0.13 | 0 | 0.09 | 0 | 0.14 | 0 |

* Accident Frequency Rate: Number of accidents involving sick leave for every million hours worked

** Accident Severity Rate: Number of calendar days lost through accidents involving sick leave for every thousand hours worked



| NUMBER OF ACCIDENTS AND EVOLUTION OF THE FR (FREQUENCY RATE) 2019

| | CLH- PS | Men | Women | CLH Aviation Ireland | Men | Women | CLH-Panamá | Men | Women |
|--|---------|---------|--------|-------------------------|--------|-------|------------|---------|--------|
| Average workforce | 236 | 221 | 42 | 14 | 12 | 2 | 129 | 121 | 8 |
| Hours worked | 452,954 | 377,493 | 75,461 | 24,958 | 21,931 | 3,039 | 260,518 | 242,047 | 18,471 |
| Accidents with leave | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accidents without leave | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| No. of working days lost | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FR (Frequency Rate) for every 200,000 hours worked | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FR (Frequency Rate) for every 1,000,000 hours worked | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TFR (Total Frequency Rate) for every 200,000 hours worked | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TFR (Total Frequency Rate) for every 1,000,000 hours worked | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SR (Severity Rate) for every 1,000 hours worked | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| SAFETY TRAINING

| | CLH Group in Spain | | | CLH-PS | CLH Aviation Ireland | CLH Panamá |
|---|--------------------|-------|---------|--------|-------------------------|------------|
| | 2017 | 2018 | 2019 | 2019 | 2019 | 2019 |
| Safety training (hours) | 9,948 | 9,818 | 11,186 | 12,742 | 7 | 234 |
| Attendees (no. of people) | 2,251 | 1,720 | 1,920 | 280 | 14 | 26 |
| Prevention training (basic level) (hours) | 4,708 | 4,609 | 3,018.5 | 9,778 | 3 | 234 |
| Attendees (no. of people) | 645 | 973 | 836 | 277 | 14 | 26 |
| Investment (thousand euros) | 134.1 | 163.2 | 190.4 | 116.7 | 5.0 | 0 |



Promoting health and safety in the workplace

The CLH Group continued to promote various actions in the areas of Occupational Health and Safety throughout 2019.

Occupational Risk Prevention programmes and activities

- Epidemiological surveillance of workers' health with regard to work-related risks.
- Protection of particularly vulnerable workers and pregnant and nursing employees.
- Noise protection programme.
- Ultraviolet radiation protection programme.

Screening for chronic diseases:

- Colorectal cancer.
- Prostate disease.
- Melanoma and other skin diseases.

Promotion of Health

- Membership of the Spanish Network for Workplace Health Promotion.
- Sports activities: charity runs, inter-company competitions, paddle tennis tournament.
- Fruit service at head offices.
- Physiotherapy service

Occupational Health and Safety training

- Courses for fuel operators: chemical risks and personal protective equipment.

Awareness-raising activities

- Talks given by healthcare professionals.
- Healthcare contacts.
- Articles about health in Acerca magazine.



We generate value for our CUSTOMERS

THE CLH GROUP OFFERS SERVICES THAT ARE ADAPTED TO THEIR NEEDS AND IMPROVING EXISTING ONES

Quality and management systems

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

The company has an Integrated Management System that covers the processes and activities of all companies in the Group. 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 quality certifications:

- **ISO 9001 quality certification for all activities** in Spain. CLH PS in the UK and CLH Aviation Ireland also hold this certification.
- **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.



THE CLH GROUP THE COMPANY IS A MEMBER OF THE SPANISH ASSOCIATION FOR STANDARDISATION AND CERTIFICATION (AENOR), THE SPANISH NATIONAL ACCREDITATION BODY (ENAC) AND THE SPANISH ASSOCIATION FOR QUALITY (AEC)

The CLH Group is a member of associations relating to quality, excellence and innovation, where it contributes its knowledge and expertise. The company is a member of the Spanish Association for Standardisation and Certification (AENOR), the Spanish National Accreditation Body (ENAC) and the Spanish Association for Quality (AEC).

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, and 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 sits on 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 the Joint Inspection Group (JIG), where it has an active presence in the Operations Committee responsible for 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 the Latin American and Caribbean Air Transport Association (ALTA).

Commercial offer

The CLH Group maintains its commitment to meeting the needs of its customers, both in the services it currently provides and through the ongoing development of services to cater for their new needs.

In this regard, the CLH Group provides logistics services to the main players in the liquid fuels market, and offers a wide range of services for oil product storage and transportation. It also provides into-plane fuelling services to the main airlines, and manages and designs storage and distribution assets and infrastructure for aviation fuels.

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 the sustainability of the biofuels offered for sale or consumed in the domestic market. In addition, it has obtained International Sustainability and Carbon Certification (ISCC) at several terminals. In 2019, CLH continued to develop services aimed at promoting the use of biofuels by its customers.



COMMERCIAL OFFER OF THE CLH GROUP

- 1 Storage, transport and distribution of oil products on the Iberian Peninsula 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 products 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 terminals, 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 Management of documentation relating to operations and the taxes associated with product movement operations in fuel facilities.
- 19 Training in operations and the management of infrastructure, covering all aspects of aviation fuel storage and supply.
- 20 Services for blending components to obtain products with specifications of a higher value than those of their elements.



In Spain in 2019, CLH adapted its fuel oil and bunkering facilities to the new IMO 2020 Regulation, which has set more stringent limits on the sulphur content of fuel oil. To this end, it worked closely with the client to facilitate compliance with the new bunker specification in their markets, and to use logistics at our terminals to create differentiation and help them retain their leading positions in the market.

The company also began to provide an in-line blending service in Castellón, which allows the facility to receive products in their pure form from the refinery and blend them with the components requested by the client (FAME, oil and alcohol).

Furthermore, new services were introduced to promote biofuel blending, such as pipeline blending and the maximisation of bioethanol. The enhanced flexibility of operations, without affecting the quality of the service, has allowed the company to offer customers new services that give them a wider range of options and make it easier for them to comply with the obligations laid down in biofuel legislation.

In addition, in order to increase the variety of products that can be stored and managed at the facilities, in 2019 new contracts were signed for the management and storage of unfinished products targeted at the trading market.

In addition, in 2019 a new en-route sales returns service was introduced to allow customers to return surplus products from the sale of fuel en route easily and independently, thus saving time and enhancing the efficiency of the service provision.

Implementation of the SIMAC system was completed in all facilities in 2019. This method improves the safety of the road tanker loading process by means of the implementation of a system that minimises the risk of overfilling during the loading process, as well as errors in the selection of tanker compartments or the failure to perform the purging process prior to loading.

Furthermore, CLH Aviación began operations at the new airports it was awarded under AENA's recent tender processes: Burgos, Reus, Sabadell, San Sebastián, Valladolid, León, Granada, Melilla and Tenerife South. It also commenced operations at Ciudad Real International Airport (CRIA).

In 2019, CLH-PS signed an extension to the agreement concluded with the UK Ministry of Defence. It also began to offer customers new services and routes and renewed the contracts with Q8 and BP.

CLH Aviation Ireland signed a new agreement with World Fuel Services (WFS) in 2019, thereby increasing the number of suppliers with which airlines can work. It also signed a partnership agreement with Applegreen, a new into-plane fuelling agent.

In 2019, CLH Panamá was awarded the contract for a new airport, Marcos A. Gelabert International Airport, also known as Albrook Airport, which is in addition to the other airports it serves and where it consolidated operations in 2019.

CLH Aviación Ecuador began operational, maintenance and into-plane fuelling activities at José Joaquín de Olmedo International Airport in Guayaquil city (Ecuador) in 2019 under a ten-year concession.



Improvement and diversification of activities through innovation

The CLH Group is undertaking the digitalisation and automation of its facilities and improving operational processes, while promoting the optimisation of resources and enhancing the security and sustainability of operations.

The company's ongoing commitment to RDI also allows it to maximise operational efficiency and maintain or even reduce the price of the services it provides every year.

In 2019, the CLH Group launched the ONE programme, an ambitious initiative that will allow the company to upgrade its computer systems and simplify the main processes of the companies in the Group to increase their efficiency.

One of the main aims of this technological renewal is to implement the same computer programs in all companies of the group and create a standardised and simplified working methodology that facilitates cooperation and furthers process automation.

Another benefit will be the storage of the main data of all the companies in a single platform. This new system will improve information analysis since it will make it possible to consult the data in real time, thus facilitating the decision-making process.

CLH encourages everyone in the organisation to identify opportunities for improvement and awards prizes for the best suggestions. These awards not only allow the improvement of operations and processes, but also enhance employee engagement and commitment.

The CLH Group continued to work on improving efficiency in 2019 by streamlining internal processes using the LEAN and 6-SIGMA methodologies.

THE CLH GROUP IS UNDERTAKING
THE DIGITALISATION AND
AUTOMATION OF ITS FACILITIES
AND IMPROVING OPERATIONAL
PROCESSES



The investment in R&D amounted to 7.5 million euros in Spain in 2019 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.

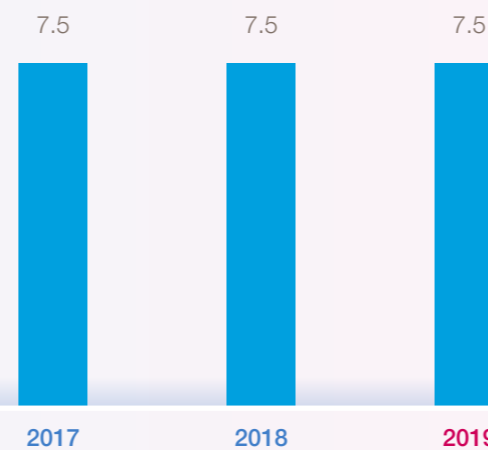
The main projects undertaken this year included:

- A project intended to develop the biofuel business model through the physical performance of blending operations (product blending) previously carried out in the refinery.
- Streamlining of planning and plant operations through the implementation of instrumentation and automated control logic.
- Fully Integrated management of infrastructure based on industry 4.0 concepts.

In 2019, the CLH Group signed an agreement with the American company Plug Power, world leader in the design and marketing of hydrogen fuel cell systems, to extend the use of this energy in Spain to sectors and activities where it could be the most efficient zero-emissions solution.

In addition, in 2020 the CLH Group set up a new company called Exolum dedicated exclusively to identifying and developing new business opportunities in industries or sectors where the company has not traditionally been present. Exolum will operate independently and will have its own headquarters and an independent team for the development of its projects.

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.

In 2019, the company designed and launched digital applications that improve customer communication channels and enable faster and more effective management.

In this regard, an online service was designed that allows CLH customers in Spain to schedule the time they need to unload tankers, thus resulting in shorter waiting times and better service planning.

A new customer service application was also introduced to improve the processing of customer complaints, requests and suggestions, and enable faster communication and more efficient handling of the customer contacts.

In addition, in 2019 a new digital delivery note system was implemented through an application that allows road tanker drivers to download the documentation of the loading operations to a mobile device, instead of having to print them on paper, thus increasing the efficiency of operations and the service quality.

To ascertain customer satisfaction levels, every two years, CLH conducts a customer satisfaction survey with clients and draws up action plans based on the survey findings.

Customer satisfaction is also a priority for CLH Aviación, whose 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. Accordingly, the company conducts regular customer satisfaction surveys and develops plans tailored to the needs identified in the surveys.

Thus, CLH Aviación works with its customers and takes their individual needs into account. These collaborative activities may be conducted at global or local level, depending on the expectations of each airport. In addition, the company works together with the airport authorities and customers for the development of procedures to cater for special service needs, such as:

- Defuelling of aircraft.
- Handling of fuel panel for load selection for narrow and wide body aircraft.
- Fuel supply to customers at facilities outside of airports.
- Loading of road tankers and/or drums for the transportation of aviation products from airports to customers outside the national airport network.
- Safety regulations for aprons.
- Participation in the Handling sub-working group for the coordination of apron operations with the Spanish Aviation Safety and Security Agency (AESA)
- Participation in the Operational Safety Forum organised by AESA in the Ministry of Public Works



Complaints in relation to CLH Aviación 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. 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.

In 2019, CLH Aviación cemented commercial relationships with customers and continued its efforts to secure new direct contracts with airlines.

The company continued to improve the invoicing process by adopting the IATA standard. Furthermore, it continued to provide one-off services at airports where it does not conduct regular operations, for which purpose it adjusted the resources and service features to the customer’s requirements.

To further improve the exchange of information with customers, in 2019, CLH Aviación continued to use ground-to-aircraft communication devices with Iberia. These Bluetooth devices facilitate communication with the aircraft cabin while refuelling with passengers on-board, enabling direct and smooth communication and improving coordination of the stopover with the airline operator.

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.

For its part, CLH Aviation Ireland signed a new contract with World Fuel Services (WFS) in 2019, in addition to a partnership agreement with Applegreen, as a new into-plane fuelling agent at Dublin Airport.

In 2019, CLH Panamá consolidated operations at the five airports it serves and was awarded a new contract for Marcos A. Gelabert International Airport (Albrook Airport).

CLH Aviación Ecuador began operations at José Joaquín de Olmedo International Airport in Guayaquil city (Ecuador) in 2019. The company has significantly improved the operation of the terminal and increased the quality of operations and into-plane fuelling services, an accomplishment that was recognised by airline companies and bodies such ALTA and IATA

Protection of commercial data and communications

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.

In 2019, no breach of rules or voluntary codes was identified with regard to commercial communications, including advertising, promotion and sponsorship, in any of the companies of the CLH Group.

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



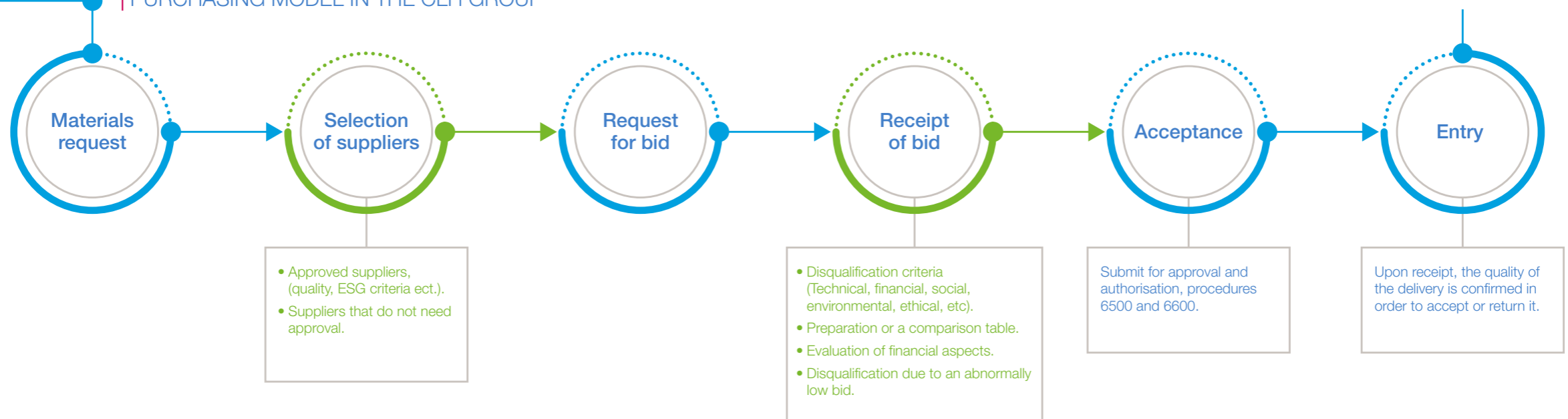
Creating value with our SUPPLIERS

THE CLH GROUP WORKS TO EXTEND ITS VISION IN CORPORATE SOCIAL RESPONSIBILITY TO ITS SUPPLY CHAIN

Purchasing model

The CLH Group has a purchasing model in place that is adapted to the characteristics of its activities. The model requires that the entire supply chain embrace the same commitments that the CLH Group has taken on in the area of corporate social responsibility.

PURCHASING MODEL IN THE CLH GROUP





The supply system in the CLH Group

In 2019, the Purchasing Department continued to strive to build more transparent and collaborative relationships with suppliers. In this regard, a Management by Category system has been put in place, which allows for the achievement of efficiencies, both in the conclusion and management of contracts. During this period, strategies were developed and established for nine categories.

In addition, more than 360 requests for quotations (RFQ) were sent, ensuring that all our suppliers were afforded transparency, equal opportunities and free competition. In all these invitations to tender, the company shared its vision, mission, code of ethics and suppliers' ethics code, in addition to the GDPR (General Data Protection Regulation).

For 2020, the company has decided to adopt a broader and more comprehensive proprietary purchasing tool that ensures traceability, evaluation, supplier approval, as well as the definition and management of contracts and the actual warehouse. Accordingly, it is carrying out a review of all internal procurement processes at the corporate level. The tool is expected to support all of the company's orders.

Collaborating companies are those from which the CLH Group makes purchases for an amount of over €3,000. It should be pointed out that these companies are the main links in the CLH Group supply chain and provide the company with the products and services it needs to carry out its activities.

Another significant feature of the purchasing and contracting model of the CLH Group is its commitment to local suppliers. Therefore, in 2019 in Spain, 98% 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 - 2019

- 905 companies with invoicing of over €3,000 make up the supply chain.
- 106 supplier companies are considered strategic according to the RePro system.
- The period for effecting payment to suppliers is less than 60 days.
- Tenders have been awarded for an amount of 58 million euros, of which 22% corresponds to materials and 78% to services.
- 73 suppliers have been assessed on environmental matters.
- 96 supplier companies have quality management systems in place.
- 93 suppliers are certified in prevention matters.
- 44 suppliers are certified in CSR + 'Family-friendly' matters.



KEY FIGURES OF CLH AVIATION IRELAND'S SUPPLY CHAIN - 2019

- Three companies with invoicing of over €3,000 make up the supply chain.
- The period for effecting payment to suppliers is between 30 and 90 days.

KEY FIGURES OF CLH - PS'S SUPPLY CHAIN - 2019

- 340 companies with invoicing of over €3,000 make up the supply chain.
- 60 supplier companies are considered strategic according to the RePro system.
- The period for effecting payment to suppliers is 30 days.
- Tenders have been awarded for an amount of 31.5 million euros, of which 31% corresponds to materials and 69% to services.
- 309 companies registered in RePro.
- 224 suppliers have been assessed on environmental matters.
- 206 supplier companies have quality management systems in place.
- 220 suppliers are certified in prevention matters.
- 179 suppliers are certified in CSR + 'Family-friendly' matters.

AWARD OF MATERIALS PURCHASES AND SERVICE CONTRACTING.

Thousand euros

| | 2017 | 2018 | 2019 |
|----------------------------|--------|--------|--------|
| CLH + CLH Aviación (Spain) | 48,159 | 40,191 | 58,080 |
| CLH PS (UK) | 5,500 | 15,800 | 31,548 |
| CLH Aviation Ireland | - | - | 47 |
| CLH Panamá | - | 7,500 | 5,063 |

KEY FIGURES OF CLH PANAMÁ'S SUPPLY CHAIN - 2019

- 74 companies with invoicing of over €3,000 make up the supply chain.
- 20 supplier companies are considered strategic according to the RePro system.
- The period for effecting payment to suppliers is 30 days.
- Tenders have been awarded for an amount of 5.06 million euros, of which 86% corresponds to materials and 14% to services
- Six suppliers have been assessed on environmental matters



Supplier approval

In the CLH Group, the first step in the supplier approval process is to check that the company meets the initial requirements based on the data they submit, and later, additional information is collected from those suppliers that are considered critical or strategic.

Through the RePro system, the company identified 106 companies that qualified as strategic suppliers in Spain. These types of suppliers are primarily those who carry out skilled work (mechanical, electrical or assembly) for the company. Companies that supply additives for oil products are also important.

Depending on the type of supplier, the nature of the work, and the services or materials to be supplied, the procedure for engaging suppliers is as follows:

● 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 and abide by the ethics code, confidentiality agreement and GPRD.

● Approved suppliers (critical or strategic suppliers)

These are assessed according to environmental, social and ethical criteria, in addition to their technical capacity and financial standing, and are monitored via the RePro system

In 2019, the procedure for the approval and assessment of suppliers was reviewed to adapt it to the tools available, and further progress will be made in this field in 2020 with the introduction of specific tools for this purpose.

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 (IFPSM, AERCE).



Communication with suppliers

The CLH Group made over 360 requests for quotations in Spain in 2019 using its digital platform as a negotiation tool, which ensures simultaneous communication with all suppliers, as well as transparency, equal opportunities and free competition.

All the documentation that the company requires from its collaborating companies is sent in electronic format, which enhances information management security, reduces paper consumption 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.

In 2020, a specific tool will be implemented to enable closer monitoring of suppliers, control their performance, check the satisfaction level of internal customers and foster collaborative relationships with suppliers, both with regard to the service provision and overall contract management.

CLH has flagged 405 suppliers, with invoicing of over €6,000 in 2019, for follow-up.

Promoting safe practices in the value chain

The CLH Group extends its commitment to safety to all collaborating companies, contractors and the local communities where it operates.

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, particularly in the case of suppliers that perform critical work.

In addition, the company monitors the accident rate figures of 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

| | CLH Group in Spain | | | CLH-PS | CLH Aviation Ireland | CLH Panamá |
|---------------------------------------|--------------------|-------|------|--------|----------------------|------------|
| | 2017 | 2018 | 2019 | 2019 | 2019 | 2019 |
| Accident frequency rate* (with leave) | 3.58 | 1.08 | 0.52 | 0 | 52.03 | 0 |
| Accident severity rate** | 0.04 | 0.001 | 0.03 | 0 | 3.22 | 0 |

* Accident frequency rate: Number of accidents involving sick leave for every million hours worked.

** 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

As part of its Social Action Policy, each year the CLH Group carries out a wide variety of initiatives aimed at building relationships of trust and cooperation with the municipalities in which it has infrastructure.

Contribution to the well-being and development of our communities

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

One of the main initiatives contained in this plan is the Voluntarily programme, designed to promote projects developed **voluntarily** by employees, in collaboration with an NGO. The main initiatives undertaken in 2019 include company support for the Don Bosco Federation of the Region of Murcia in the organisation of a summer camp for children and youth at risk of social exclusion.

In addition, CLH donated computers to the Kwizera Association, which organises activities for elderly people who live alone, for use in the computer classes they provide.

The company also donated audiovisual equipment to Madrid Food Bank for use in videoconferences, thus allowing the people at the different centres to hold meetings without having to travel.

Outside this programme, but within the company's Social Action Plan, CLH provided support to **other public institutions and non-governmental organisations**.

One of the most important initiatives was the donation of a generator to Es Castell Town Council (Menorca) to improve the power supply to the town's public school, sports complex and football pitch. The company also made a contribution to Albuixech Town Council so that it could purchase a defibrillator, and helped Almodóvar del Campo Town Council purchase gifts for The Three Kings' Parade.



Furthermore, the company supported the Lleida Firefighters' Cultural and Recreational Group in the organisation of a charity run to raise funds for the Lleida Food Bank, the Spanish Association Against Cancer and the Aspros Foundation, which works for the integration of persons with intellectual disabilities.

In addition, CLH took part in different initiatives relating to education in values through sport, such as the Albuixech and Gazteak (Santurtzi) football schools, and the social integration school of San Fernando de Henares, a project promoted by 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.

In the area of education, the company helped Serra d'Espadà secondary school with an annual student project to research and construct highly fuel-efficient vehicles.

To promote culture, CLH sponsored the "Tutankhamun: Images of a treasure hidden under the Egyptian desert" exhibition organised by Mahón City Council.

The company also collaborated with the Spanish Embassies in Morocco and Oman to celebrate Spain's National Day on 12 October in the two countries.

And in keeping with its concern for the environment, it organised a visit to the lesser kestrel centre it built together with GREFA (Rehabilitation Group for Native Fauna and its Habitat) in the region of Madrid. The centre is specially designed to house the breeding colonies of the lesser kestrel, a small migratory falcon in danger of extinction.

In addition, the company assisted the Fight Against AIDS Foundation with the organisation of its annual gala, and entrusted the Prodis Association with tasks relating to the distribution of CLH's corporate magazine.

Commitment to education

In the field of education, the CLH Group has partnership agreements with vocational training schools, universities and business schools all over Spain to offer their students work placements with 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 work experience or scholarships.

CLH regularly organises visits by students from different engineering schools, universities and other centres of education, to whom it explains the functioning of the Group's infrastructure.

THE CLH GROUP SUPPORTS PROJECTS RELATED TO INTEGRATION, THE ENVIRONMENT, CULTURE, ENTREPRENEURSHIP AND SOCIAL AND ECONOMIC DEVELOPMENT

Support for culture and science

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

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



In the field of science, CLH is a member 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.

Boosting entrepreneurship

As part of its entrepreneurship support policy, the company supports the development of new business ideas and projects in collaboration with the Institute for Business Competitiveness of Castilla y León (ICE), the Promotion Institute of the Region of Murcia (INFO) and Campus Iberus.

Participation in associations

In addition, the CLH Group actively participates in economic, business, energy and social bodies, such as the Spanish Confederation of Business Organisations (CEOE), the New Economy Forum, the Chamber of Commerce of the United States, the Portuguese-Spanish Chamber of Commerce, the Circle of Trust Foundation, the Civic Panel, the Institute of Directors, the Spanish Energy Club and the Elcano Royal Institute.

Institutional relations

Each year, the CLH Group undertakes a number of initiatives to create awareness of its activities in the community and to share its experiences, knowledge and opinions.

Among other events, the Chairman and Chief Executive Officer of CLH met in Seville with the President of the Regional Government of Andalusia, Juan Manuel Moreno, and the Regional Minister for the Treasury, Industry and Energy, Juan Bravo.

In addition, the company actively participated in forums and conferences, such as the Fourth Annual Energy Forum organised by El Economista; the AGM of the Federation of European Tank Storage Associations (FETSA); the Fifth Conference on Prevention organised by Valle de Escombreras Business Association (AEVE); the Spanish Association for Quality (AEC) conferences and the Association of Automatic Service Stations (AESAE) forum.

CLH also gave a talk to students of the Centre for Advanced National Defence Studies (CESEDEN) and hosted a visit by the sales team of Repsol in Catalonia and Aragón in its facilities, in addition to the Strategic Petroleum Product Reserves Corporation (CORES) and several members of the Ministry for Ecological Transition.

For its part, CLH Aviación attended the Airports Council International Annual Assembly for the Latin America & Caribbean region (ACI-LAC) in Bogotá to strengthen relations between leaders, governments and service providers in the airport operator industry, and participated in the third meeting of the Fuel Committee of the Latin American and Caribbean Air Transport Association (ALTA) and the International Air Transport Association (IATA) in Bogotá.

In the UK, CLH-PS attended the presentation of the First Barometer on Spanish Investment and Climate at the Spanish Embassy in London, and hosted a visit by a delegation from the UK Ministry of Defence at its facility in Inverness.

In addition, CLH Aviation Ireland spoke at the GAD World event, which brought together the key stakeholders in airport development in Dublin, and CLH Panamá attended a reception organised by the Spanish Embassy on the occasion of King Philip VI's visit to Panama.



Creating value in our ENVIRONMENT

THE CLH GROUP IS FIRMLY COMMITTED TO RESPECTING THE ENVIRONMENT AND SAFETY AND, THEREFORE, TAKES MEASURES TO REDUCE THE IMPACT OF ITS OPERATIONS AND TO USE RESOURCES, TECHNOLOGIES AND PROCESSES EFFICIENTLY AND SAFELY, THUS PROTECTING THE ENVIRONMENT WHERE IT CARRIES OUT ITS ACTIVITIES

Facility safety and integrity

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

This system incorporates the processes that underpin the company's environmental principles, in accordance with the applicable legislation and its commitment to the environment.

Furthermore, the CLH Group has Self-Protection Plans for infrastructure, which identify possible risk situations and establish the actions to be taken, should these occur, taking account of the human and material resources available.

| SPILLS. TIER 1 + TIER 2 INDUSTRIAL INCIDENT FREQUENCY RATE

| | 2017 | 2018 | 2019 |
|---|------|------|-----------|
| CLH Group in Spain (CLH + CLH Aviación) | 0.48 | 0.34 | 0.23 |
| CLH – PS | – | – | 0.11 |
| CLH Aviation Ireland | – | – | 0 |
| CLH Panamá | – | – | Sin Datos |
| Grupo CLH | – | – | 0.21 |



Throughout 2019, different initiatives were undertaken at facility monitoring centres in Spain to improve operational efficiency. Specifically, the plants at Villaverde, Santurce and Gijón were incorporated into the facility monitoring centre, and a new management tool is being developed and adapted for the remote operation of facilities, which will improve the scheduling and performance of operations from the facility monitoring centre.

In addition, improvements were made to the existing management system at the pipeline monitoring centre to allow certain operations to be performed automatically, thus enhancing the safety of these operations.

Furthermore, quality and environmental management certifications were renewed with the port authorities of Barcelona, Gijón, Palma, Algeciras, Motril, Santurce and Cartagena.

Pipeline and facility integrity plan

The CLH Group's Pipeline and Facility Integrity Plan has been developed in accordance with the best international practices in the industry, and is another tool the company uses to manage the safety of infrastructure.

The plan establishes the frequency of infrastructure inspections, together with action protocols, mitigation measures and monitoring and control indicators.

In 2019, CLH published an updated pipeline integrity risk model to optimise decision-making with regard to repairs, investments and inspections. In addition, the company continued to develop the facility inspection plan based on the API 570 standard "Piping Inspection Code: In-service Inspection, Rating, Repair and Alteration of Piping Systems", which provides for the thorough inspection of piping systems and ancillary elements.

In 2019, the company continued to roll out the asset management project with the aim of improving efficiency in asset management. In this respect, the facility criticality analysis was completed, allowing the company to identify the most critical process equipment from the point of view of safety, and adopt new strategies and Reliability Centered Maintenance (RCM) and Maintenance Task Analysis (MTA) to enable a reduction in the number of failures and to mitigate their impact.

In addition, the CLH Group has begun to use Business Intelligence (BI) tools to exploit the information in the various tank and pipeline databases. This allows greater control over the safety of assets and the development of new inspection and maintenance strategies for containment assets.

In line with the company's international expansion strategy, and in a bid to standardise the management models of the Group's different business units, corporate manuals for asset management and operation were drawn up in 2019. These provide a basic framework for the management of these two disciplines and serve as a basis for the drafting of specific manuals tailored to the particular features of each business unit.

In this regard, CLH-PS has implemented a corporate asset management system with the same structure and capabilities as the system currently in place at CLH in Spain.



Furthermore, for the inspection and repair of tanks, a new procedure has been developed to adapt inspection, assessment and repair criteria to the semi-underground tank storage network. In addition, a new overflow protection and leak detection system has been designed, and new shut-off and control valves installed in the various storage tanks using Automatic Tank Gauges (ATGs).

CLH-PS also conducted a pilot programme for a new leak detection system, with a detection threshold that allows leaks to be detected in both static and dynamic conditions. To this end, different pressure units and gauges have been installed from Killingholme to Backford North. As the results of the pilot test were quite satisfactory, it has been decided to roll out the system to the entire pipeline network.

In addition, civil, mechanical and electrical design work has been completed for the replacement of the pumping stations defined as critical (Nettlestead Green, Stoke, Redmile, Rawcliffe and Misterton) with new units that render the system more resilient, energy-efficient and ensure the continuity of supply. The project will be implemented in 2020.

In 2020, the CLH Group plans to continue with RCM and MTA analyses, which will reduce failures in critical assets and, therefore, optimise the company's maintenance strategy while ensuring the safety of people, equipment and the environment. In addition, the company's computerised maintenance management system (CMMS) will be further developed and adjusted to ensure the appropriate management and maintenance of company assets.

Projects relating to the Electrical, Control, Instrumentation and Automation (ECIA) programme are scheduled for implementation at CLH-PS's main terminals in 2020. This programme will entail the installation of an overflow protection system, the upgrade of electrical control systems and the implementation of a SCADA interface at the control room in Aldermaston.

Emergency preparedness and response

The CLH Group has Emergency Plans for all its facilities, prepared in accordance with the recommendations and guidelines of the main international organisations and approved by the relevant authorities.

To put these plans into practice, the company conducts regular safety drills and exercises, which help to improve the response and coordination of the teams involved should an unforeseen event occur.

Emergencies that affect water courses are among the most critical scenarios. Therefore, the company organises training activities with specific equipment which make it possible to stop and contain possible discharges into water bodies. In 2019, CLH carried out four actions in different regions in Spain:

| Pipeline | Section | Description | Facility |
|----------|----------------------------------|--|-----------------------|
| BILVA | MUSKIZ -MIRANDA | Simulation of pipeline rupture by property owner and consequent discharge into Bayas River. | Rivabellosa |
| COVIGO | Provincia Coruña PK 20,050 | Simulation of rupture at indicated KM at intersection with Barcés River and use of booms at defined control point. | Coruña - Bens |
| TABAGE | Fogarse de la Selva (Hostalrich) | Simulation of rupture of pipeline by a third party and discharge of diesel oil into Tordera River. | Barcelona - Tarragona |
| POSOBA | PORTO PI – SON BANYA | Drill involving the launching of containment booms into the sea following a flange rupture while unloading Jet-A1 in line no. 2 at Pantalán, and consequent discharge into Porto Pi. | Palma de Mallorca |



Cooperation with stakeholders

The CLH Group distributes information leaflets to the stakeholders in the area surrounding its facilities. The leaflets contain information on how to identify the presence of pipelines and the measures to take in order to avoid accidents, especially when carrying out work close by. A free telephone number for the reporting of incidents is also provided in the leaflets.

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

Commitment to the environment

The CLH Group operates in an environmentally friendly manner, given that it does not manufacture or generate energy and, therefore, its emissions are extremely limited. According to the “VISION 2050. A Pathway for the Evolution of the Refining Industry and Liquid Fuels” report published by FuelsEurope, the transportation of fuel only accounts for 1% of CO₂ emissions from fuel production and use. (Source: Concawe based on JEC v4 and own data (average values)).

The environmental management policy of CLH covers all aspects of the organisation. From the point of view of the terminals, the activities are monitored during the different stages, that is, from the receipt and storage of fuel, to its dispatch to customers by road tanker to aircraft or ships.

Moreover, fuel transport via the pipeline network is one of the most environmentally-friendly modes of transport for oil products. In Spain, the use of pipelines to transport fuels, instead of other means, prevents the emission of over 325,000 tonnes of CO₂ every year, which would be the emissions figure if other modes of transport were used.

Applying the precautionary principle contained in the Rio Declaration adopted at the 1992 United Nations Conference on Environment and Development, the CLH Group performs a regular and systematic environmental assessment via its Environmental Management System, which is subject to audits to identify points for improvement. Furthermore, initiatives based on the principles of sustainable development of all the company’s activities are regularly monitored.

In 2019, the CLH Group approved a sustainability strategy which is primarily aimed at achieving a neutral contribution to the company’s carbon footprint, in line with the Paris Agreement of December 2015 (COP 21) and the sustainable development goals (SDGs).

This new strategy comprises various specific plans and projects that will enable the CLH Group to strengthen its commitment to biodiversity protection, an efficient use of natural resources and the fight against climate change, in addition to cooperating with the oil industry in the development of eco-fuels.



Carbon footprint

- **Zero-emissions Initiative.** The aim of this plan is to progressively reduce net emissions of greenhouse gases by 50% before 2025 and make CLH a carbon-neutral company by 2050. To achieve this, the company is working on reducing energy consumption by replacing its equipment with more efficient devices, incorporating new technological developments and purchasing renewable power or generating it ourselves at our facilities. Also, if necessary, the plan provides for the promotion of measures to offset emissions.

Circularity and resource efficiency

- **Prevention and Recovery Initiative.** Continue to focus on the prevention of spills and their impact on the environment, and on the effective recovery of spilled product.
- **CLH2O Initiative.** Minimise the consumption of such a scarce natural resource as water, and study and apply the best available techniques for its complete reuse.

Natural services

- **Natural Services Initiative** - This consists of achieving zero impact on ecosystems that may be affected by the operations of CLH by developing measures for restoration or remediation, where necessary.

Other initiatives undertaken in 2019 include:

- With a view to achieving more sustainable energy consumption at our facilities in Spain, CLH undertook an energy efficiency project that involves, among other measures, 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.
- The use of Drag Reducing Agent (DRA) in pipeline transport, the development of algorithms for additive dosing and maximisation of efficiency in the use of pipeline pumping stations, thereby saving energy.

- The reduction of the volume of waste in airport facilities through the recovery of the product resulting from tank purges and groundwater remediation work, which was previously handled by an authorised waste manager.
- A study was conducted to assess the possibility of generating electricity from solar power at the facilities themselves so as to meet part of our energy needs, and the findings were satisfactory.
- The long-term acquisition of a certain volume of electrical energy (PPA, power purchase agreement) to meet part of our energy needs, thus minimising the risks associated with fluctuating energy prices and ensuring that the energy consumed in CLH operations comes from renewable sources, hence contributing to our goal of becoming a carbon-neutral company by 2050.
- The paperless office campaign launched at head office has had a positive impact on the other facilities, which have significantly reduced their paper consumption. Use of digitised documents is becoming more widespread in the CLH Group, and paper consumption in 2019 was reduced by 29.4% compared to the previous year.



- In Spain, a project called Digital Delivery Note has been developed to eliminate carbonless paper Commercial Accompanying Documents (CADs), and the documentation required for the operation of road tankers is now available in an application, which will reduce paper consumption in 2020.
- A mobility application has been developed and introduced to record the maintenance work performed by staff at the facilities. The aim is to improve the efficiency of plant staff, reduce the administrative burden, facilitate the processing of data collected from managers and help to reduce paper usage. This initiative is part of the organisation's Digital Agenda which was introduced in 2019.

These initiatives, among others, have enabled the CLH Group in Spain, as well as CLH Aviation Ireland and CLH-PS, to retain ISO 14001 Environmental Management Certification at all their facilities

Environmental expenditure and investment

In Spain, investment in the environment amounted to 8.43 million euros in 2019. This represents a decrease in spending compared to the previous year due to the completion of major projects such as the improvement of pipeline protection and coating and the renovation of the hydrocarbon water system at the facility in Barcelona.

On the other hand, investment in vapour recovery units (VRUs) was increased to bring the equipment into compliance with greenhouse gas emission regulations.

At CLH PS, investment in environmental protection totalled 22.08 million euros, and focused on adapting the infrastructure to the high standards of the CLH Group in relation to the integrity, environmental performance and operability of assets.

Expenditure for groundwater and soil remediation in the CLH Group in Spain amounted to 1.70 million euros, an increase of 11.2 % over the previous year, primarily due to the commencement of soil remediation work at Porto Pi and the Barcelona north zone, and the resumption of the works at the old Burgos facility.

ENVIRONMENTAL EXPENDITURE AND INVESTMENT. Million euros

| | CLH Group in Spain | | | CLH-PS | CLH Aviation Ireland | CLH Panamá |
|--|--------------------|------|------|--------|----------------------|------------|
| | 2017 | 2018 | 2019 | 2019 | 2019 | 2019 |
| Evolution of environmental investments | 12.75 | 9.89 | 8.43 | 22.8 | N/D | N/D |
| Groundwater and soil remediation expenditure | 1.43 | 1.53 | 1.7 | 0.26 | 0.00 | 0.00 |



Energy efficiency

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

Furthermore, in 2019 the company continued to invest in the protection and integrity of equipment to prevent possible incidents with an environmental impact, such as the replacement of pipelines according to integrity criteria and the improvement of fire protection systems.

The CLH Group in Spain consumed 170,072 gigajoules (GJ) of primary energy (diesel oil, fuel oil and natural gas) in 2019, which represents a reduction of 9.1% compared to the previous year.

In Spain, electricity consumption in 2019 amounted to 1,043,584 GJ, thus increasing 6.8% compared to 2018. This increase was due, among other factors, to the fact that electric motors were given priority over diesel engine-driven pumping units when pumping fuel through pipelines.

The CLH Group in Spain (CLH + CLH Aviación) accounts for 90% of total primary energy consumption as, in addition to being the largest companies in the Group, their fuel tanks require large amounts of fuel for heating.

The CLH Group in Spain also accounts for 85% of electricity consumption, mainly on account of its 4,016-kilometre pipeline network covering the entire country, and because a large amount of electricity is needed to operate pipeline pumping stations.

For its part, energy consumption by CLH Panamá amounted to 12,687 GJ, which corresponds to four airports where supply is largely performed by road tanker.

| ENERGY CONSUMPTION. GJ/year

| | CLH Group in Spain | | | CLH-PS | CLH Aviation Ireland | CLH Panamá | Grupo CLH |
|--|--------------------|---------|-----------|---------|----------------------|------------|-----------|
| | 2017 | 2018 | 2019 | 2019 | 2019 | 2019 | 2019 |
| Total primary energy consumption | 199,623 | 187,200 | 170,072 | 4,846 | 255 | 12,687 | 187,860 |
| Primary energy consumption in tanker vessel | 389,771 | 351,590 | 371,065 | | | | 371,065 |
| Electricity consumption | 946,336 | 977,248 | 1,043,584 | 174,650 | 6,278 | 3,322 | 1,227,834 |
| Renewable energy consumption | 946,336 | 977,248 | – | – | 0 | – | |
| Breakdown of primary energy consumption | | | | | | | |
| Diésel | | | 152,770 | 4,814 | 75 | 11,908 | 169,567 |
| Gasoline | | | 341 | 32 | 20 | 779 | 1,172 |
| Gas Natural | | | 1,152 | – | 160 | – | 1,312 |
| Other fossil fuels | | | 15,809 | – | 0 | – | 15,809 |



Climate change

In 2019 the CLH Group recalculated its carbon footprint, based on the UNE EN ISO 14064-1 standard.

The purpose of calculating the carbon footprint is to identify the main sources of greenhouse gas (GHG) emissions, with the aim of designing and implementing actions for the reduction of emissions, which make it possible to increase the sustainability of our activity, measure the effectiveness of the projects implemented, and assess the progress made by the company.

● **Direct emissions (Scope 1).** In 2019, a total of 11,096 tonnes of direct GHG emissions was recorded, corresponding to consumption at facilities and fuel consumption of the company's vehicles. This represents a reduction of 8.67% compared to the previous year, mainly due to the start up of a high-voltage line at the Arahal facility, which allowed it to stop using generators to supply power to the plant, in addition to increased use of the pipeline's electric motors at the Loeches facility and, hence, reduced use of diesel engine-driven pumping units.

For the calculation of greenhouse gas emissions, it was decided that the energy required to supply product to coastal facilities and airports not connected by pipeline should be included in Scope 1, not Scope 3, as in previous years.

This approach makes sense, given that the consumption of fuel by ships, and by road tankers delivering product to CLH's facilities are considered primary energy for business activity, even though this mode of transport is not owned by CLH.

The amount of emissions associated with this consumption totalled 29,630 tonnes of CO₂ in 2019, and this value is directly influenced by fuel consumption for sea transport. The calculation is influenced by the following concepts:

- Fuel consumption in the transport of fuel to airport facilities (1,968 tonnes of CO₂).
- Fuel consumption in sea transport (27,662 tonnes of CO₂).

Total emissions associated with Scope 1 in 2019 amounted to 40,726 tonnes of CO₂.

● **Indirect emissions (Scope 2).** The majority of the company's GHG emissions are associated with the electricity consumption required to transport hydrocarbons via the oil pipeline network. In 2019, CLH registered as a direct market consumer, thereby managing the contracting of electricity itself. As a result, it can no longer benefit from the conditions of the previous contract, where 100% of the electricity it consumed came from renewable sources.

Total emissions associated with Scope 2 in 2019 amounted to 75,370 tons of CO₂.



● **Other indirect emissions (Scope 3).** As mentioned previously, in 2019 it was decided to exclude from Scope 3 emissions from the consumption of fuel by the tanker ships hired to transport product to port terminals, as well as the road tankers contracted to supply kerosene to airports, and instead include them in Scope 1.

As a result, the emissions associated with Scope 3 are very low and not relevant for the calculation of the carbon footprint and, hence, it was decided not to calculate Scope 3. Nevertheless, emission reduction targets and, particularly, emissions generated by the consumption of paper and waste remain a priority for the CLH Group.

The results of foreign subsidiaries clearly show that, with the exception of CLH Panamá, the most important factor in emissions is the consumption of electricity, which accounts for 68% of emissions.

| GREENHOUSE GAS EMISSIONS. (tCO₂eq)

| | CLH Group in Spain | | | CLH-PS | CLH Aviation Ireland | CLH Panamá | Grupo CLH |
|---|--------------------|---------------|----------------|---------------|----------------------|------------|----------------|
| | 2017 | 2018 | 2019 | 2019 | 2019 | 2019 | 2019 |
| Greenhouse gas emissions - Scope 1 | 12,140 | 40,459(*) | 40,726 | 252 | 9 | 659 | 41,646 |
| Greenhouse gas emissions - Scope 2 | 0 | 0 | 75,370 | 12,614 | 453 | 248 | 88,685 |
| Greenhouse gas emissions - Scope 3 | 36,847 | N/A | N/A | 0 | 1 | 0 | 1 |
| Greenhouse gas emissions - Total | 48,987 | 40,459 | 116,096 | 12,866 | 463 | 907 | 130,332 |

(*) Greenhouse gas emissions have been recalculated as Scope 1 now includes emissions generated by the transport of fuel by vessel to supply coastal facilities and by road tankers to supply port facilities. As a result, Scope 3 emissions are very limited and have been excluded from total emissions.



Control of emissions to the atmosphere

In Spain, 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 by steam boilers for heating the fuel oil stored at the facilities in La Coruña, Algeciras, Barcelona, Cartagena, Gijón, Huelva, Porto Pí and Tarragona.

In 2019, fuel consumption was lower compared to the previous year, mainly due to decreased use of diesel engines for pipeline pumping, the cessation of activity at Coruña port and greater efficiency in heating fuel tanks at the Algeciras facility on account of the new layout of the fuel tanks.

Regarding the emissions of volatile organic compounds (VOCs), which are basically generated in gasoline loading processes, the CLH Group has taken a range of measures to minimise and control them, such as the use of vapour recovery units in product loading processes, which guarantees that emissions of these compounds are reduced to below the 10 mg/m³ limit set by the regulations.

Thanks to these actions, an average value of 3.28g/Nm³ has been achieved in VOC emissions, which is considerably lower than the limit set by legislation. Moreover, the value for VOC emissions was 2 tonnes in 2019, which was similar than the previous year.

| EMISSIONS INTO THE AIR

| | CLH Group in Spain | | | CLH-PS | CLH Aviation Ireland | CLH Panamá | Grupo CLH |
|--|--------------------|------|------|--------|----------------------|------------|-----------|
| | 2017 | 2018 | 2019 | 2019 | 2019 | 2019 | 2019 |
| NOx emissions (tonnes) | 80 | 96 | 79 | 4.48 | 0.09 | 11.72 | 95.29 |
| SOx emissions (tonnes) | 67 | 24 | 23 | 0.11 | 0.002 | 0.28 | 23.39 |
| Volatile organic compound (VOC) emissions (tonnes) | 1 | 2 | 2 | 0.04 | 0.001 | 0.11 | 2.15 |
| Particle emissions (tonnes) | 6 | 7 | 7 | 0.24 | 0.005 | 0.63 | 7.88 |



Water consumption

In Spain, the CLH Group uses water in its operations for several purposes, including the testing of fire protection systems, the generation of steam and for sanitation.

Water is mainly supplied from the municipal networks. Water consumption in Spain was 211,968 m³ in 2019, which represents an increase of 6.6% over the previous year. This increase was primarily due to higher consumption

at the facilities in Torrejón, Cartagena and Rota for testing the plants' fire protection systems, in addition to the water consumed in the steam heating of fuel tanks at facilities that have fuel tanks, such as Cartagena.

Waste management

The CLH Group generates far more hazardous than non-hazardous waste, mainly due to the regular cleaning of storage tanks to comply with fuel quality requirements and tank integrity criteria, and the hydrocarbon water treatment systems.

| WATER CONSUMPTION. (m³)

| | CLH Group in Spain | | | CLH-PS | CLH Aviation Ireland | CLH Panamá |
|-------------------------|--------------------|------------|---------|---------|----------------------|------------|
| | 2017 | 2018 | 2019 | 2019 | 2019 | 2019 |
| Total water consumption | 179,698 | 198,859(*) | 211,968 | 100,192 | 2,161.61 | N/D |

(*) Data for 2018 have been corrected to take account of water consumption at the Cartagena facility, which was inadvertently omitted

| WASTE GENERATION. (t)

| | CLH Group in Spain | | | CLH-PS | CLH Aviation Ireland | CLH Panamá |
|---------------------------|--------------------|--------------|--------------|--------------|----------------------|------------|
| | 2017 | 2018 | 2019 | 2019 | 2019 | 2019 |
| Total hazardous waste | 4,890 | 3,430 | 4,110 | 1,332.7 | 47.3 | 57 |
| Total non-hazardous waste | 295 | 278 | 629 | 384.3 | 13.2 | 24 |
| Total residuos | 5,186 | 3,708 | 4,739 | 1,722 | 60.5 | 81 |



The facilities classify and separate the waste generated according to type. Subsequently, it is stored in appropriately prepared areas until it is delivered to an authorised waste management contractor.

The facilities keep a record of all the waste delivered, specifying the quantity, type, final destination and authorised manager. The waste is handled by authorised managers according to 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 2019, the CLH Group in Spain managed 4,110 tonnes of hazardous waste and 629 tonnes of non-hazardous waste, which represents a total of 4,739 tonnes of waste. This represented an increase of 25% over 2018, mainly owing to the waste generated in the cleaning of tanks at the facilities in Algeciras, Cartagena and Huelva.

Management of discharges and groundwater

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 rainwater 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).

To ensure that discharges do not contain pollutants, the facilities 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.

In 2019, the company continued with the R&D work with regard to discharge management and the recovery of groundwater, including mainly:

- A new treatment system for hydrocarbon-polluted water based on the use of bio-absorbent materials. The company is also studying the possibility of moving the equipment currently installed to a full-scale pilot plant.

- A bioremediation project involving the use of hydrocarbon-degrading microorganisms in soil remediation work. In 2019, approval was given to continue with the project for a further two years and new lines of research have been introduced.

Soil protection

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 appropriate cleaning system according to the characteristics of the land in order to return it to its original state as quickly as possible.

The CLH Group has mechanisms in place that provide detailed information on the environmental situation of the land where its terminals are located. In addition, every year, the environmental condition of the subsoil at the facilities is monitored by taking samples of groundwater from the piezometric control network present at the facilities.



The most significant work undertaken in Spain in 2019 was:

- **Barajas Airport, Madrid.** Implementation, by virtue of an agreement entered into by CLH Aviación and AENA, of a project for the voluntary contention and decontamination of the land adjacent to the manifold located in the runway area of terminal T2.
- **Barajas Airport, Madrid (old storage plot).** Following an in-depth characterisation of the subsoil, a Sanitation Plan was prepared and submitted to the authorities for approval. Following approval, soil remediation work in the old storage plot at Barajas began in the fourth quarter of 2019.

- **Palma Porto Pi.** The environmental clean-up of the subsoil at the facility in Porto Pi (Palma) commenced using non-invasive (geophysical) monitoring methods.

Moreover, as part of its philosophy for continuous improvement, the company has taken on new challenges for 2020, including the consolidation of the different RDI projects commenced in the environmental area:

- To study and implement 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 is an additional safety measure to the control and monitoring actions performed on the piezometers of the facilities. The aim is to identify any impact on the subsoil in the early stages, thus minimising the impact and reducing the remediation tasks.

- To further develop the different lines of the cooperation project signed with the University of Granada for the treatment of waste water using biological processes.
- To implement non-invasive environmental characterisation techniques based on geophysics (CEN Project) at other facilities.
- 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 could be of commercial value to the company.

| SPILLS

| | CLH Group in Spain | | | CLH-PS | CLH Aviation Ireland | CLH Panamá | Grupo CLH | | |
|---|--------------------|-------|------|--------|----------------------|------------|-----------|-------|------|
| | 2017 | 2018 | 2019 | 2019 | 2019 | 2019 | 2017 | 2018 | 2019 |
| Spills with environmental impact (number) | 2 | 3 | 1 | 2 | 0 | 0 | 2 | 3 | 3 |
| Total volume spilled (tonnes) | 234.74 | 10.44 | 8.52 | 1.2 | 0 | 0 | 234.74 | 10.44 | 9.72 |



Protection of biodiversity

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

The CLH Group regards Protected Natural Areas (PNA), highly populated areas (more than 50,000 inhabitants or a population density of over 390 inhabitants/km²), other populated areas (such as isolated buildings, schools, stadiums, etc.), infrastructure (motorways, dual carriageways, railway lines, etc.) and water courses or water in dams (rivers, reservoirs, lakes, etc.) as High Consequence Areas.

For more than seven years, CLH in Spain has been supporting GREFA (Rehabilitation Group for Native Fauna and its Habitat) in the conservation of biodiversity and carrying out various projects in partnership with the group. Specifically, in 2019, CLH continued to work with GREFA in the conservation of Iberian harrier in the region of Madrid. As part of the 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.

In addition, CLH continued to work with the “Kestrel Network” initiative for the recovery of the lesser kestrel in the region of Madrid. In 2019, fifty-five lesser kestrel chicks from the captive breeding programme were reintroduced into the wild.

In Spain, the CLH Group has conducted biodiversity studies at a number of its facilities. The studies assess the biodiversity of the area surrounding the plants and, at all facilities studied, it was concluded that CLH’s activity does not impact biodiversity in the area beyond the fence of the industrial site.

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 studies 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.



3

Summarised Annual Accounts

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





Consolidated balance sheet at 31 December 2019

(Thousands of euros)

| ASSETS | 2019 | 2018 |
|---|------------------|------------------|
| Property, plant and equipment | 1,043,115 | 1,015,646 |
| Land and buildings | 475,679 | 469,190 |
| Plant and machinery | 2,043,736 | 1,972,892 |
| Other fixed assets | 141,793 | 143,598 |
| PP&E under construction | 90,007 | 85,905 |
| Depreciation | (1,708,100) | (1,655,939) |
| Investment properties | 12,881 | 12,871 |
| Intangible assets | 188,844 | 143,780 |
| Investments accounted for using the equity method | 59,119 | 54,242 |
| Non-current financial investments | 193 | 196 |
| Deferred tax assets | 38,688 | 38,672 |
| Non-current assets | 1,342,840 | 1,265,407 |
| Non-current assets held for sale | 9,494 | 816 |
| Inventories | 46,349 | 40,520 |
| Trade and other receivables | 920,858 | 919,706 |
| Current financial investments | 3,215 | 2,859 |
| Prepayments and accrued income | 2,788 | 3,656 |
| Current tax assets | 527 | – |
| Other receivables from Public Entities | 12,649 | 9,372 |
| Cash and cash equivalents | 7,406 | 2,995 |
| Current assets | 1,003,286 | 979,924 |
| TOTAL ASSETS | 2,346,126 | 2,245,331 |

| EQUITY AND LIABILITIES | 2019 | 2018 |
|--|------------------|------------------|
| Share capital | 84,629 | 84,070 |
| Retained earnings | 430,302 | 386,186 |
| Profit for the year | 285,629 | 238,280 |
| Share premium and reserves | 144,673 | 147,906 |
| Reserve for valuation adjustments | (5,810) | (11,886) |
| Translation differences | 3,565 | (2,203) |
| Other valuation adjustments | (9,375) | (9,683) |
| Interim dividend | (218,418) | (185,760) |
| Non-controlling interests | 2,501 | – |
| Equity | 293,204 | 272,610 |
| Long-term borrowings | 639,717 | 634,117 |
| Bank borrowings | 542,219 | 582,158 |
| Lease liabilities | 97,498 | 51,959 |
| Provisions | 58,060 | 50,852 |
| Other non-current liabilities | 4,540 | 5,061 |
| Derivative financial instruments | 12,500 | 12,910 |
| Deferred tax liabilities | 17,037 | 15,237 |
| Non-current liabilities | 731,854 | 718,177 |
| Disposal group liabilities held for sale | 1,810 | – |
| Short-term borrowings | 269,377 | 231,991 |
| Bank borrowings | 257,395 | 217,052 |
| Lease liabilities | 11,982 | 14,939 |
| Trade and other payables | 1,049,478 | 1,021,785 |
| Current tax liabilities | – | 373 |
| Accruals and deferred income | 403 | 395 |
| Current liabilities | 1,321,068 | 1,254,544 |
| TOTAL LIABILITIES | 2,052,922 | 1,972,721 |
| TOTAL EQUITY AND LIABILITIES | 2,346,126 | 2,245,331 |



Consolidated statement of profit or loss for 2019

(Thousands of euros)

| | 2019 | 2018 |
|--|----------------|-----------------|
| Revenue | 741,123 | 698,842 |
| Changes in inventories of finished products | 8,701 | 5,861 |
| Own work capitalised | 2,773 | 2,737 |
| Cost of sales | (11,717) | (12,415) |
| Other operating income | 17,185 | 22,324 |
| Employee benefits expense | (132,691) | (136,126) |
| Other operating expenses | (173,110) | (159,453) |
| Depreciation and amortisation charges | (85,355) | (102,000) |
| Capital grants and other grants taken to income | 521 | 551 |
| Surplus provisions | 216 | 322 |
| Impairment of and gains/(losses) on disposal of PP&E | 253 | (3,650) |
| Operating income | 367,899 | 316,993 |
| Finance income | 12,961 | 4,599 |
| Finance costs | (13,522) | (14,773) |
| Exchange differences (net) | (531) | (13) |
| Impairment of financial instruments | – | – |
| Net finance income/(cost) | (1,092) | (10,187) |
| Gain (loss) from equity-accounted investments | 6,818 | 5,716 |
| Profit before tax | 373,625 | 312,522 |
| Corporate income tax expense | (88,279) | (74,242) |
| Profit for the year | 285,346 | 238,280 |
| Attributable to the Parent Company | 285,629 | 238,280 |
| Attributable to non-controlling interests | (283) | – |
| Basic and diluted earnings per share (euros) | 4.06 | 3.40 |



4

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

Index of contents required by Law 11/2018 and GRI
and Global Compact indicators | 92

Statement of non-financial information 2019 | 99



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

| Indicator | Description | Global compact | Location in Report |
|------------------------------------|---|----------------|----------------------------|
| GRI 101 Fundamentals | | | |
| GRI 102 General disclosures | | | |
| 102-1 | Name of the organization. | | Page 3. |
| 102-2 | Activities, brands, products, and services. | | Pages 19-25. |
| 102-3 | Location of headquarters. | | Titán, 13, 28045 - Madrid. |
| 102-4 | Location of operations. | | Pages 19-25. |
| 102-5 | Ownership and legal form. | | Pages 13-14. |
| 102-6 | Markets served. | | Pages 19-25. |
| 102-7 | Scale of the organization. | | Pages 19-25, 37. |
| 102-8 | Information on employees and other workers. | Principle 6. | Pages 37-39. |
| 102-9 | Supply chain. | | Pages 66-70. |
| 102-10 | Significant changes to the organization and its supply chain. | | Pages 19-25. |
| 102-11 | Precautionary Principle or Approach. | | Page 77. |
| 102-12 | External Initiatives. | | Page 59. |
| 102-13 | Membership of associations. | | Page 59. |
| Strategy | | | |
| 102-14 | Statement from senior decision-maker. | | Pages 4-6. |
| 102-15 | Key impacts, risks, and opportunities. | | Page 34. |



| Indicator | Description | Global compact | Location in Report |
|--------------------------------|--|------------------------------|---|
| Ethics and integrity | | | |
| 102-16 | Values, principles, standards, and norms of behaviour. | Principle 6. | Pages 13-14. |
| 102-17 | Advisory mechanisms and ethical concerns. | Principle 6. | Page 32. |
| Governance | | | |
| 102-18 | Governance structure. | | Pages 28-31. |
| 102-22 | Composition of the highest governance body and its committees. | Principle 6. | Pages 28-31. |
| 102-23 | Chair of the highest governance body. | | Pages 28-31. |
| 102-38 | Annual total compensation ratio. | | Page 42. |
| 102-39 | Ratio of % average retribution increase. | | Page 42. |
| Stakeholders engagement | | | |
| 102-40 | List of stakeholder groups. | | Page 36. |
| 102-41 | Collective bargaining agreements. | Principle 1. Principle 3. | Pages 43, 53. |
| 102-42 | Identifying and selecting stakeholders. | | Page 36. |
| 102-43 | Approach to stakeholder engagement. | | Page 36. |
| 102-44 | Key topics and concerns raised. | | Pages 71-73, 74-79. |
| Reporting practices | | | |
| 102-45 | Entities included in the consolidated financial statements. | | Activity of the consolidated group of Consolidated Financial Statement for fiscal year 2019 |
| 102-46 | Defining report content and topic Boundaries. | | Page 33. |
| 102-47 | List of material topics. | | Page 33. |
| 102-48 | Restatements of information. | | Restatements of information are indicated throughout the report. |
| 102-49 | Changes in reporting. | | Page 33. |
| 102-50 | Reporting period. | | 2019. |
| 102-51 | Date of most recent report. | | 2018. |
| 102-52 | Reporting cycle. | | Annual. |



| Indicator | Description | Global compact | Location in Report |
|---|---|------------------------------|---|
| 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. |
| GRI 103 Management approach | | | |
| 103-1 | Explanation of the material topic and its Boundary. | | Page 33. |
| 103-2 | The management approach and its components. | | Page 33. |
| 103-3 | Evaluation of the management approach. | | Page 33. |
| GRI 201 Economic performance | | | |
| 201-1 | Direct economic value generated and distributed. | | Page 18. |
| 201-3 | Defined benefit plan obligations and other retirement plans. | | Page 46. |
| 201-4 | Financial assistance received from government. | | Note 20. Other non-current liabilities of Consolidated Financial Statement for fiscal year 2019 |
| GRI 202 Market presence | | | |
| 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage. | Principle 1. Principle 6. | Page 41. |
| 202-2 | Proportion of senior management hired from the local community. | Principle 6. | Page 38-39. |
| GRI 203 Indirect economic impact | | | |
| 203-1 | Infrastructure investments and services supported. | | Page 71-73. |
| 203-2 | Significant indirect economic impacts. | | Page 71-73. |
| GRI 204 Procurement practices | | | |
| 204-1 | Proportion of spending on local suppliers. | | Page 67-68. |
| GRI 205 Anti-corruption | | | |
| 205-1 | Operations assessed for risks related to corruption. | Principle 10. | Page 32. |



| Indicator | Description | Global compact | Location in Report |
|---|--|--|--|
| 205-3 | Verified cases of corruption and measures taken. | Principle 10. | In 2019 any legal complaint has been received by corruption cases |
| GRI 206 Unfair competition practices (Anti -competitive) | | | |
| 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 practice |
| GRI 301 Materials 2019 | | | |
| 301-1 | Materials used by weight or volume. | | Pages 78-80. |
| GRI 302 Energy 2019 | | | |
| 302-1 | Energy consumption within the organization. | Principle 7. Principle 8. | Page 80. |
| 302-2 | Energy consumption outside of the organization. | Principle 7. Principle 8. | Page 80. |
| 302-4 | Reduction of energy consumption. | Principle 7. Principle 8. Principle 9. | Page 80. |
| GRI 303 Water | | | |
| 303-1 | Water withdrawal by source. | Principle 7. Principle 8. | Page 84. |
| 303-2 | Water sources significantly affected by withdrawal of water. | Principle 7. Principle 8. | Page 84. |
| GRI 304 Biodiversity | | | |
| 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 87. |
| 304-2 | Significant impacts of activities, products, and services on biodiversity. | Principle 8. | Page 87. |
| 304-3 | Habitats protected or restored. | Principle 8. | Page 87. |



| Indicator | Description | Global compact | Location in Report |
|--|--|--|--|
| GRI 305 Emissions | | | |
| 305-1 | Direct (Scope 1) GHG emissions. | Principle 7. Principle 8. Principle 9. | Page 81. |
| 305-2 | Indirect (Scope 2) GHG emissions. | Principle 7. Principle 8. Principle 9. | Page 81. |
| 305-3 | Other indirect (Scope 3) GHG emissions. | Principle 8. | Page 82. |
| 305-5 | Reduction of GHG emissions. | Principle 8. Principle 9. | Pages 81-82. |
| 305-7 | Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions. | Principle 8. Principle 9. | Page 88. |
| GRI 306 Effluents and waste | | | |
| 306-2 | Waste by type and disposal method. | Principle 7. Principle 8. | Page 84. |
| 306-3 | Significant spills. | Principle 8. | Page 86. |
| GRI 307 Environmental compliance | | | |
| 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 2019 |
| GRI 308 Supplier environmental assessment | | | |
| 308-1 | New suppliers that were screened using environmental criteria. | Principle 9. | Page 66-70. |
| 308-2 | Negative environmental impacts in the supply chain and actions taken. | Principio 9. | Page 66-70. |
| GRI 401 Employment | | | |
| 401-1 | New employee hires and employee turnover. | Principio 6. | Page 43-45. |
| 401-3 | Parental leave. | Principle 6. | Page 46-49. |
| GRI 403 Occupational health and safety | | | |
| 403-1 | Workers representation in formal joint management–worker health and safety committees. | | Page 54-56. |



| Indicator | Description | Global compact | Location in Report |
|--|--|------------------------------|---|
| 403-2 | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities. | | Pages 54-56. |
| 403-4 | Health and safety topics covered in formal agreements with trade unions. | | Pages 54-56. |
| GRI 404 Training and education | | | |
| 404-1 | Average hours of training per year per employee. | Principle 6. | Pages 50-52. |
| 404-2 | Programs for upgrading employee skills and transition assistance programs. | | Pages 50-52. |
| 404-3 | Percentage of employees receiving periodic assessments. | Principle 6. | Page 49. |
| GRI 405 Diversity and equal opportunity of performance and professional development | | | |
| 405-1 | Diversity of governance bodies and employees. | Principle 6. | Page 39. |
| 405-2 | Ratio of basic salary and remuneration of women to men. | Principle 6. | Pages 41-42. |
| GRI 406 Non-discrimination | | | |
| 406-1 | Incidents of discrimination and corrective actions taken. | Principle 6. | During 2019, CLH has had no knowledge of any discrimination incident. |
| GRI 407 Freedom of association and collective Bargaining | | | |
| 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk. | Principle 2. | Pages 53, 69. |
| GRI 408 Child labour | | | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labour. | Principle 5. | Pages 53, 69. |
| GRI 409 Forced labour | | | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labour. | Principle 4. | Pages 53, 69. |
| GRI 410 Security procedures | | | |
| 410-1 | Security personnel formed in politics and procedures of human rights. | Principle 1. Principle 2. | Pages 54-56. |



| Indicator | Description | Global compact | Location in Report |
|--|---|------------------------------|---|
| GRI 412 Evaluation of human rights | | | |
| 412-1 | Operations that have been subject to human rights reviews or impact assessments. | Principle 1. | Pages 64-70. |
| 412-3 | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening. | Principle 1. Principle 2. | Pages 64-70. |
| GRI 413 Local communities | | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs. | Principle 1. | Page 71. |
| GRI 414 Supplier social assessment | | | |
| 414-1 | New suppliers that were screened using social criteria | Principle 2. | Pages 64-70. |
| 414-2 | Negative social impacts in the supply chain and actions taken. | Principle 2. | Pages 64-70. |
| Negative social impacts in the supply chain and actions taken | | | |
| 416-1 | Assessment of the health and safety impacts of product and service categories. | | Pages 74-77. |
| GRI 417 Marketing and labelling | | | |
| 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 2019 |
| GRI 418 clients privacy | | | |
| 418-1 | Non-compliance with laws and regulations in the social and economic area. | | Non-compliance with laws and regulations in the social and economic area |
| 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 2019 |
| OG - Sector disclosures (Oil & Gas) | | | |
| OG-13 | Number of processes safety events, by business activity. | | Pages 54-56,74. |



Statement of non-financial information 2019

| Content of the statement of non-financial information | Reporting standard | Location in the Report |
|--|---|------------------------|
| BUSINESS MODEL | | |
| Description of the business model | | |
| Group business model. | GRI 102-2. GRI 102-7. | Pages 13-14. |
| Business environment. | GRI 102-4. | Pages 19-25. |
| Organization and structure. | GRI 102-18. | Pages 13-14, 28-31. |
| Markets in which it operates. | GRI 102-6. | Pages 19-25. |
| Objectives and strategies. | GRI 102-15. | Pages 15-16. |
| Main factors and trends that may affect its future development. | GRI 102-15. | Pages 26-27. |
| INFORMATION ON ENVIRONMENTAL ISSUES | | |
| Policies | | |
| 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 74-77. |
| Main risks | | |
| 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 102-11. GRI 102-15. GRI 102-30. | Page 34. |



| Content of the statement of non-financial information | Reporting standard | Location in the Report |
|---|--|---|
| Environmental management | | |
| 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 77-82. |
| Environmental assessment or certification procedures. | GRI 102-15. GRI 102-29. GRI 102-30. | Page 79. |
| Resources dedicated to the prevention of environmental risks. | GRI 102-29. | Page 79. Note 31. Environmental information of Consolidated Financial Statement for fiscal year 2019 |
| Application of the precautionary principle. | GRI 102-11. | Pages 77-79. |
| Provisions and guarantees for environmental risks. | GRI 307-1. | Note 31. Environmental information of Consolidated Financial Statement for fiscal year 2019 |
| Note 31. Environmental information of Consolidated Financial Statement for fiscal year 2019 | | |
| 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 77-83. |
| Circular economy and waste prevention and management | | |
| 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 77, 83-86. |
| Sustainable use of resources | | |
| Water consumption and water supply according to local constraints. | GRI 303-1. GRI 303-2. | Page 84. |
| Consumption of raw materials and measures taken to improve the efficiency of their use. | GRI 301-1. | Page 80. |
| 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. | Page 80. |



| Content of the statement of non-financial information | Reporting standard | Location in the Report |
|--|---|------------------------|
| Climate change | | |
| Greenhouse Gas Emissions. | GRI 305-1. GRI 305-2. GRI 305-3. | Pages 80-83. |
| Measures taken to adapt to the consequences of Climate Change. | GRI 102-15. GRI 103-2. GRI 305-5. | Pages 77-79. |
| Reduction targets voluntarily set in the medium and long term to reduce GHG emissions and means implemented to that end. | GRI 305-5. | Pages 77-79. |
| Protection of biodiversity | | |
| Measures taken to preserve or restore biodiversity. | GRI 103-2. GRI 304-3. | Page 87. |
| Impacts caused by activities or operations in protected areas. | GRI 304-1. GRI 304-2. | Page 87. |
| INFORMATION ON SOCIAL AND PERSONNEL ISSUES | | |
| Policies | | |
| 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 34. |
| Main risks | | |
| 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 34. |
| Employment | | |
| Total number and distribution of employees by gender, age, country and professional classification. | GRI 102-7. GRI 102-8. GRI 405-1. | Pages 37-39. |



| Content of the statement of non-financial information | Reporting standard | Location in the Report |
|---|--------------------------|--|
| Total number and distribution of employment contract modalities. | GRI 102-8. | Pages 37-39. |
| Average annual number of permanent, temporary and part-time contracts by gender, age and professional classification. | GRI 102-8. | Page 38. |
| Number of redundancies by gender, age and occupational classification. | GRI 401-1. | Page 45. |
| Average annual number of permanent, temporary and part-time contracts by gender, age and professional classification. | GRI 405-2. | Pages 41-42. |
| Salary Gap. | GRI 405-2. | Page 42. |
| Remuneration of equal or average jobs in the company. | GRI 405-2. | Page 42. |
| 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 42. Note 27. Compensation to members of the Board of Directors and senior managers of Consolidated Financial Statement for fiscal year 2019 |
| 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 45. |
| Work organization | | |
| Organization of working time. | GRI 102-8. GRI 103-2. | Page 47. |
| Number of absence hours. | GRI 403-2. | Page 40. |
| 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 46-48. |
| Health & Safety | | |
| Occupational health and safety conditions. | GRI 103-2. | Page 54-57. |
| Accidents at work (frequency and severity) disaggregated by gender. | GRI 403-2. | Page 54-57. |
| Occupational diseases (frequency and severity) disaggregated by gender. | GRI 403-2. | In 2019, there have been no cases of occupational diseases. |



| Content of the statement of non-financial information | Reporting standard | Location in the Report |
|---|---|------------------------|
| Social relations | | |
| Organisation of social dialogue, including procedures for informing, consulting and negotiating with staff. | GRI 102-43. GRI 402-1. GRI 403-1. | Page 53. |
| Percentage of employees covered by collective bargaining agreements by country. | GRI 102-41 | Page 43. |
| Assessment of collective agreements, particularly in the field of health and safety at work. | GRI 403-1. | Pages 54-57. |
| Formation | | |
| Policies implemented in the formation. | GRI 103-2. GRI 404-2. | Pages 50-52. |
| Total number of hours of training by professional category. | GRI 404-1. | Pages 50-52. |
| Accessibility | | |
| Universal accessibility for persons with disabilities. | GRI 103-2. | Pages 41, 43. |
| Equality | | |
| Measures taken to promote equal treatment and opportunities for men and women. | GRI 103-2. | Pages 37, 41. |
| Equality plans. | GRI 103-2. | Pages 37, 41. |
| Measures taken to promote employment. | GRI 103-2. GRI 404-2. | Page 49. |
| Protocols against sexual and sex-based harassment. | GRI 103-2. | Pages 37, 41. |
| The integration and universal accessibility of persons with disabilities. | GRI 103-2. | Pages 37, 41, 43. |
| Policy against all forms of discrimination and, where appropriate, diversity management. | GRI 103-2. GRI 406-1. | Pages 37, 41, 43. |
| INFORMATION ON RESPECT FOR HUMAN RIGHTS | | |
| Policies | | |
| Policy against all forms of discrimination and, where appropriate, diversity management. | GRI 103-2. GRI 103-3. GRI 410-1. | Page 53. |



| Content of the statement of non-financial information | Reporting standard | Location in the Report |
|---|--|------------------------|
| Main risks | | |
| 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 34. |
| Information on respect for Human Rights | | |
| Application of human rights due diligence procedures. | GRI 102-3. GRI 414-2. | Page 69. |
| 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. | Page 6. |
| Complaints about human rights violations. | GRI 102-17. GRI 103-2. GRI 419-1. | Page 32. |
| 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 53. |
| INFORMATION RELATING TO THE FIGHT AGAINST CORRUPTION AND BRIBERY | | |
| Policies | | |
| 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, 32. |
| Main risks | | |
| 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 34. |



| Content of the statement of non-financial information | Reporting standard | Location in the Report |
|--|--|------------------------|
| Combating corruption and bribery | | |
| Measures taken to prevent corruption and bribery. | GRI 103-2. | Pages 6, 32. |
| Measures to combat money laundering. | GRI 103-2. | Pages 6, 32. |
| Contributions to foundations and non-profit entities. | GRI 103-2. GRI 201-1. GRI 203-2. | Page 18. |
| INFORMATION ABOUT SOCIETY | | |
| Policies | | |
| 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 71-73. |
| Principales riesgos | | |
| 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 34. |
| The company's commitment to sustainable development | | |
| Impact of society's activity on employment and local development. | GRI 203-1. GRI 203-2. GRI 204-1. GRI 413-1. | Pages 43, 67. |
| Impact of society's activity on local populations and territory. | GRI 203-1. GRI 203-2. GRI 413-1. | Pages 43, 67, 71-73. |
| Relations maintained with local community actors and the modalities of dialogue with them. | GRI 102-43. GRI 413-1. | Page 71. |
| Actions of association or sponsorship. | GRI 102-13. GRI 201-1. GRI 203-1. | Pages 71-73, 18 |



| Content of the statement of non-financial information | Reporting standard | Location in the Report |
|--|---|--|
| Subcontracting and suppliers | | |
| Inclusion of social, gender equality and environmental issues in procurement policy. | GRI 103-3. | Pages 66-67. |
| 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 66-67. |
| Supervision and audit systems and results thereof. | GRI 308-1. GRI 308-2. GRI 414-2. | Pages 66-69. |
| Consumers | | |
| 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 74-76, 85-86. |
| Complaint systems, complaints received and their resolution. | GRI 102-17. GRI 103-2. GRI 418-1. | Pages 64-65. |
| Tax information | | |
| Benefits obtained by country. | GRI 201-1. | Note 23. Income and expenditure of Consolidated Financial Statement for fiscal year 2019. |
| Income taxes paid. | GRI 201-1. | Note 22. Assets and liabilities by taxes of Consolidated Financial Statement for fiscal year 2019. |
| Public subsidies received. | GRI 204-1. | Note 20. Other non-current liabilities of Consolidated Financial Statement for fiscal year 2019 |



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Independent review report of the State of non-financial Information





Independent review report

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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 ON NON-FINANCIAL INFORMATION STATEMENT OF COMPAÑÍA LOGÍSTICA DE HIDROCARBUROS CLH, S.A. AND SUBSIDIARIES FOR 2019

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 2019 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: 2019 Non-Financial Information Statement" included in the accompanying NFIS.

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") selected as agreed for each matter in section 4 "Table of Contents: 2019 Non-Financial Information Statement" of the aforementioned statement.

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 global system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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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.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed, which refers exclusively to 2019. 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 2019 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 2019 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 2019 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

In the attached NFIS, CLH collects separately the non-financial information of the activity developed in Spain from the non-financial information of the activity developed in other countries where it is present. CLH has not included the totality of the non-financial information with regard to foreign components of the Group and, in connection with this, we have not been able to verify the information on CLH's activities abroad and, therefore, our verification is limited solely to the information presented as the CLH Group in Spain.

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 2019 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: 2019 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 Mezon
 28 February 2020



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