

Redexis

2020 Non-financial information statement

In accordance with Law 11/2018, dated December 28, 2018, amending the Commercial Code, the consolidated text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, dated July 2, and Law 22/2015, dated July 20, on Audit of Accounts, regarding non-financial information and diversity, this non-financial information statement (hereinafter, EINF, for its acronym in Spanish) has been prepared, included as annex to the Report of Consolidated Management of REDEXIS GAS, SA and subsidiary companies for the fiscal year ended December 31, 2020. Although drafting this report is not yet required for Redexis, the Company has decided to produce it in the benefit of transparency and the adoption of the best corporate governance standards.

For the purposes of disclosing the information mentioned above, the company has taken as reference the framework to prepare Global Reporting Initiative (GRI) sustainability reports in the GRI Standards version thereof.

By means of this document, Redexis reports matters relating to the business model, risk management, commitment to the environment thereof, as well as regarding social, labour and human rights issues, the fight against corruption, responsible taxation, sustainable development and relationships with users and customers, all of which constitute material company issues.

Index:

- 1. Our business model**
- 2. Risk management**
- 3. Our commitment to the environment**
 - 3.1 Pollution**
 - 3.2 Circular economy, and waste prevention and management**
 - 3.3 Sustainable use of resources**
 - 3.4 Climate change**
 - 3.5 Protection of biodiversity**
- 4. Our commitment to employees**
 - 4.1 Employment**
 - 4.2 Work organisation**
 - 4.3 Health and safety**
 - 4.4 Social Relationships**
 - 4.5 Training**
 - 4.6 Equality**
- 5. Our commitment to respect human rights**
- 6. Our commitment to the fight against corruption and bribery**
- 7. Our commitment to sustainable development**
- 8. Our supply chain**
- 9. Our Commitment to users and customers**
- 10. Our commitment to transparency: Tax information**
- Annex I: Index of contents of the non-financial information statement required by Law 11/2018**

1. Our Business Model

Business environment, organisation and structure, and markets in which it operates.

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6 y 102-7.

Redexis Gas, S.A. (hereinafter, **Redexis**) is a comprehensive energy infrastructure company committed on its own and through the investee companies thereof to develop and operate natural gas transmission and distribution networks, to distribute and market liquefied petroleum gas and to promote renewable applications of natural gas and hydrogen.

Its registered office is at Calle Mahonia 2, 28043 Madrid, and it has work centres in Alicante, Almería, Avila, El Puerto de Santa María, Figueres, Granada, Huesca, Ibiza, Linares, Madrid, Mérida, Murcia, Palma de Mallorca, Teruel, Valladolid and Zaragoza.

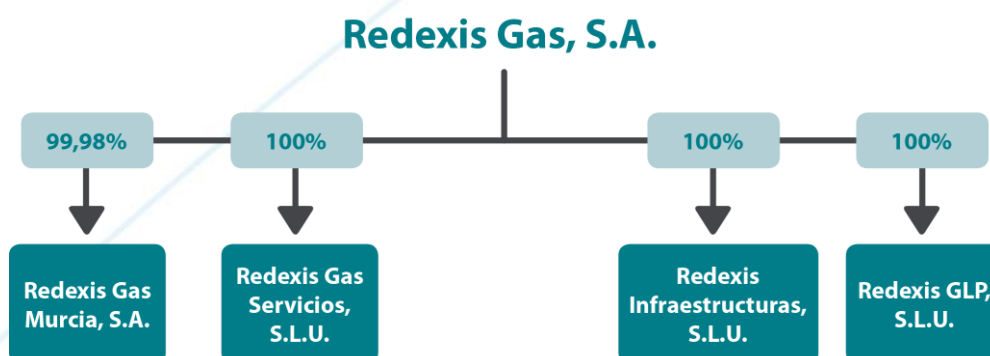
Redexis develops and operates networks to deliver the necessary energy to homes, businesses and industries, always ensuring maximum safety and quality conditions are complied with. The Company has a solid expansion plan to continue offering energy solutions throughout the national territory, which translates into 1,300 million euros invested since 2010.

Redexis is currently the second natural gas transmission operator in Spain, the third distributor and the second in LPG, operating in 11 autonomous communities and 864 municipalities in 38 provinces. This results in a total of 733.174 supply points throughout Spain.

Redexis' capital stock is fully subscribed and paid-in and held by shareholders as follows:

- **Chase Gas Investments Limited:** 33.33% (subsidiary company of the USS pension fund)
- **ATP Infraestructure II APS:** 33.33% (subsidiary company of the ATP pension fund)
- **Guotong Romeo Holdings Limited:** 33.33% (investee company by Guoxin Guotong Fund LLT and CNIC Corporation Limited investment funds)

Redexis is the parent company of the Group, made up of the following companies:



- **Redexis GLP, S.L.U.**
 The purpose and main activity of REDEXIS GLP, S.L.U. (hereinafter, “Redexis GLP”) is to carry out activities related to marketing and retail supply of liquefied petroleum gases. Redexis GLP is fully owned by Redexis.
- **Redexis Gas Servicios, S.L.U.**
 The purpose and main activity of REDEXIS GAS SERVICIOS, S.L.U. (hereinafter, "Redexis Servicios") is as follows:

 - To hold, purchase, subscribe, exchange, sell, manage and, in general, any transaction involving national or foreign securities, mainly related to energy companies and for the purposes of directing, administering and managing the above mentioned. With the exception of activities expressly reserved (i) by law to Collective Investment Institutions, (ii) expressly reserved in the provisions of the Securities Market Law to Trading Agencies and Companies; and (iii) the activities considered regulated by the Law of the Hydrocarbons Industry, as well as natural gas sales and production activities.
 - Management, advice and provision of business, IT, accounting, labour, administrative, strategic, commercial, industrial, technical, organisational and planning services related to the infrastructure industry and, in particular, to the energy sector, including (i) inspections and maintenance of facilities, (ii) quality control, (iii) emergency care service, and (iv) management of energy use, transmission, facilities and usage, as well as research and development in all types of processes for energy use and saving.
 - Planning, study, project, execution, assembly and operation of infrastructures.
 - Purchase, assignment and financing of capital assets related to the above mentioned activities, as well as the maintenance and repair activities thereof.
 - Research, development and exploitation of industrial security systems, both in the industrial and domestic arena.
 - Telecommunications operator.

Redexis Servicios is fully owned by Redexis.
- **Redexis Infraestructuras, S.L.U.**
 The purpose and main activity of REDEXIS INFRAESTRUCTURAS, S.L.U. (hereinafter, “Redexis Infraestructuras”) is mainly the development of natural gas transmission or storage activities, as well as the related or accessory activities thereof. It is the owner of the Grupo Redexis' primary transmission gas pipelines. Redexis Infraestructuras is fully owned by Redexis.
- **Redexis Gas Murcia, S.A.**
 The object and main activity of REDEXIS GAS MURCIA, S.A. (hereinafter, “Redexis Murcia”) is the distribution and secondary the transmission of natural gas and the distribution and sale of liquefied petroleum gases through pipelines in the Murcia Region. Redexis owns 99.98% of the capital stock of Redexis Murcia, the remaining 0.02% is held by minority shareholders.

Objectives and Strategies

GRI 102-14 and 102-15

Redexis is committed to a sustainable and efficient business model, developing strategies and objectives aligned with the new challenges currently faced by the energy sector, such as the fight against climate change or the achievement of the objectives of the 2030 Agenda.

Redexis also seeks to be an active agent in the energy transition, with sustainable development as a core principle. Therefore, it has defined a series of strategies and priorities adapted to the current and future context of the industry, taking into account its business lines.

- **Carry out a sustainable and balanced growth**, with safety and stability as a top priority.
- **Operational Excellence**. Redexis incorporates the most advanced technologies in order to have the best quality operations, projects and services.
- **Innovation**, as a core principle of Redexis' activity, aimed at progressing, transforming and improving the efficiency of its operations.
- **Risk Management**. Redexis complies with the highest quality and safety standards, as it strives to identify the possible risks that may arise in relation to its activities, assessing the probability and impact thereof.
- **The commitment to value creation**: always taking care of the environment and society.

The Company's commitment to sustainable development is reflected in the approval by the Board of Directors during 2020 of the **Sustainability Policy**. The approval of the above mentioned Policy confirms the Group's commitment to environmental, ethical and sustainable development, maximizing positive impacts, through honest and transparent relations with all its stakeholders:

- Users and Customers
- Employees
- Financial Community
- Collaborators and Suppliers
- Public Administrations and Regulatory Bodies
- Community

Redexis, as an energy infrastructure operator, plays a fundamental role in the **sustainable development of the local economies** in which it operates. As a key agent in the Spanish gas and energy sector, it aims to boost economic activity, business productivity, employment, the environment, energy efficiency management and improve the quality of life for people, businesses and industries.

The Sustainability Policy includes the main commitments of Redexis, which are present in all spheres of its activity. This global commitment is based on the following economic, environmental, social, health and safety responsibilities, efficient energy management, and quality and excellence in services:

- Legal compliance with all current requirements, as well as those internal regulations, codes and policies that the Group adheres to.
- Responsible management of economic and financial resources.
- Promotion of the use of financial instruments that incorporate links to sustainability criteria whenever feasible and financially reasonable.
- Promotion of innovation, sustainable business and the circular economy.
- Guarantee energy supply in a safe, efficient and accessible manner, offering the highest possible level of quality, based on the best techniques available.

- Efficient risk and opportunities management for all activities, aimed at preventing harming people, property and the environment.
- Comprehensive and transparent action with all stakeholders, through the publication of regular reports and the promotion of active and two-way communication therewith.
- Support and professional development offered to all Redexis employees.
- Promotion of work-life balance, as well as equal opportunities for all workers.
- Dissemination of Redexis' sustainability culture among all stakeholders.
- Developing actions aimed at sustainable growth in those communities in which it operates.
- Compliance with the commitments reflected in its Integrated Health and Safety, Environment and Energy Management Policy, and the development and implementation thereof through international reference standards and its Integrated Management System.

Redexis' strategy is linked to sustainable development through all its areas of action, resulting in the recognition by various evaluation agencies of the corporate environmental, social and governance practices (ESG, Environmental, Social and Governance), including GRESB and Vigeo.

- **GRESB:** in 2020 Redexis has once again been awarded a five-star rating, the maximum awarded, in terms of ESG in the GRESB sustainability index, thus maintaining the rating from previous year and demonstrating its long-standing commitment to sustainability. The Company has been awarded 8 points more than in the previous financial year, taking it to 82 and ranking above both the companies in the industry and the group of companies under evaluation.
- **Vigeo Eiris:** this leading international company in CSR and sustainability ratings has awarded Redexis the rating of "robust" in 2020, for its performance in ESG issues in 2019. The Company has obtained ratings above the industry average in different indicators, which certifies Redexis' commitment to sustainable development. This has allowed Redexis to access sustainable financing of 150 million euros.

Under a framework of environmental and social responsibility, Redexis has promoted the Corporate Social Responsibility and Sustainability area, integrating the Sustainable Development Goals as a fundamental part of the corporate governance model, strategy and operations. As key players in the energy transition and sustainable development within the energy industry, Redexis strives to boost new solutions and alternatives by carrying out projects for sustainable mobility and the use of hydrogen.

Main Factors and Market Trends

GRI 102-15

In the first quarter of 2019, Redexis carried out a **materiality analysis** to develop its strategy, defining and identifying the stakeholders and the most relevant issues thereof. Through this analysis, priorities could be established to act and define strategies aligned with the expectations of the above mentioned stakeholders.

The analysis was divided into four phases consisting of an internal analysis in which the best practices and material issues in the industry were identified, an external analysis in which the existing communication channels with stakeholders were established, an assessment of material issues in which meetings with all areas were held and, finally, the materiality matrix was generated with a list of relevant topics.

Due to this exercise, Redexis has been able to make progress **to create economic, social and environmental value**, ensuring that it meets stakeholders' needs at all times.

The materiality matrix obtained as a result thereof shows the most relevant points and topics for the Company and its stakeholders, the following are the 15 most outstanding topics:

Reference	15 most relevant internal and external topics
1	Regulatory Compliance
2	Ethics, Integrity and Transparency
3	Risk Management
4	Responsible Taxation
5	Good corporate governance
7	Occupational Health and Safety
14	Service Quality
15	Complaint Resolution System and Customer Satisfaction
16	Crisis and Emergency Management
17	Industrial Safety
20	Adapting to climate change (external)
21	Innovation applied to the Use of Sustainable Technologies
22	Setting Environmental Emission Targets
23	Adapting to climate change (internal)
25	Circular Economy

In terms of matters regarding **occupational health and safety, the environment and energy management**, there are several factors that could affect the Company's activities, such as:

- Non-compliance with environmental, energy or health and safety criteria.
- Loss of external financing opportunities due to non-compliance or insufficient environmental, energy or health and safety standards.
- Regulatory context adverse to the activity.
- Loss of awareness that environmental, energy, or health and safety management is a transversal process throughout the Company and in all areas without exception.
- Adverse Environmental Conditions.
- Estimation of insufficient monitoring resources applicable to contractors.
- Inefficient monitoring resulting in a legal violation affecting Redexis' image and reputation.
- Non-compliance with the frequency of meetings of the Health and Safety Committees, as well as the Environmental and Energy Committees.
- Deviations from commitments undertaken by Managers and Middle Managers.
- Inefficient operational monitoring not allowing measuring indicators or evaluating trends.

The natural gas sector is a highly regulated sector. Thus, modifications in the applicable regulations thereof may have significant impact on the industry and on each of the agents operating in the industry.

In this sense, it should be taken into account that the regulatory framework of the natural gas industry in Spain, based on Law 34/1998, on Hydrocarbons, developed, among others, by Royal Decrees 949/2001 and 1434/2002; the first one regulates third-party access to gas facilities and sets forth an integrated economic system for the natural gas industry; the second one regulates the transmission, distribution, marketing and supply activities and the authorization procedures for natural gas facilities.

Over the years and the evolution of the deregulation of the industry, the above mentioned Law on the Hydrocarbons Industry (hereinafter, "LSH", for its acronym in Spanish) has been modified on several occasions; the most particularly relevant one is the amendment by Royal Decree-Law 8/2014, dated July 4, on the approval of urgent measures in terms of growth, competitiveness and efficiency, which was subsequently processed in the General Tribunals as Law, and was thereafter published as Law 18/2014, dated October 15, for the approval of urgent measures in terms of growth, competitiveness and efficiency. Certain measures are introduced to update the regulatory-economic framework, among which the following stand out:

- An amendment of the general income and costs scheme of the gas system is addressed, based on the principle of **long-term economic sustainability and balance**, which may consider demand fluctuations and the degree of development of existing infrastructures, without undermining the principle of appropriate remuneration for investments in regulated assets, or security of supply. Therefore, the principle of economic and financial sustainability of the gas system is set up so that any regulatory measure that implies a cost increase or income reduction should include cost reductions or income increases.
- Certain mechanisms are established to restrict the emergence of temporary annual imbalances in the settlement system, through **automatic review of tolls** when certain thresholds are exceeded. If the above mentioned thresholds are not exceeded, the imbalances are financed by the subjects of the settlement system in proportion to their remuneration, generating collection rights for the following five years and with a market interest rate to be set by Ministerial Order.
- Regarding the remuneration of regulated activities, the amendment includes the basic principle of considering the necessary costs to carry out the activity by an efficient and well-managed company under the principle of **carrying out the activity at the lowest cost for the system**.
- Regulatory periods of six years are defined in which the financial rate may not be revised and no automatic updating formulas may be applied during the same period for the remuneration of any of the activities. Nonetheless, taking into account that the regulatory reform has been proposed in a deficit scenario that is expected to revert in the coming years, the possibility of adjusting every three years **certain remuneration parameters** in case of significant variations in income and cost items is included.
- A **thorough and homogeneous review of remuneration** of all activities is carried out, including all assets, even those already in service.

By means of Royal Decree Law 1/2019, an amendment of the competition framework of the gas system has been carried out, adapting the competences of the National Commission on Markets and Competition ("CNMC", for its acronym in Spanish) to the requirements arising from European Law in relation to Directives 2009/72 / EC and 2009/73 / EC of the European Parliament and Council, dated July 13, 2009, on common rules for the electricity and natural gas internal markets. Among the reforms introduced, we should mention the attribution of powers to the CNMC regarding the establishment of methodologies to determine tolls and remuneration for regulated activities, including setting the values thereof. Therefore, and from the enforcement of the above mentioned Royal Decree Law, the CNMC has the power to establish the above mentioned issues, although in terms of establishing new methodologies to determine the remuneration of regulated activities, they will not be applicable until January 1st, 2021, once the first six-year regulatory period that was established in the above mentioned Law 18/2014 ends. In this sense, during 2019 the CNMC has promoted the preparation of a series of Circulars defining the remuneration methodologies of the regulated activities developed by Redexis in the gas industry (Transmission and Distribution), and, once approved and published in the Spanish Official Gazette (BOE, for its acronym in Spanish), are applicable from January 2021.

The previous regulation has been developed, regarding the parts that directly affect Redexis, through the following circulars:

- Circular 2/2019, dated November 12, setting forth the methodology for calculating the financial remuneration rate for electricity and natural gas regulated activities.
- Circular 8/2019, dated December 12, setting forth the methodology and conditions for access and capacity allocation in the natural gas system
- Circular 9/2019, dated December 12, setting forth the methodology to determine the remuneration of natural gas transmission facilities and liquefied natural gas plants
- Circular 2/2020, dated January 9, setting forth the natural gas balance regulations
- Circular 4/2020, dated March 31, setting forth the methodology to determine the remuneration for the distribution of natural gas
- Circular 6/2020, dated July 22, setting forth the methodology for calculating local network transmission tolls and natural gas regasification

Due diligence procedures applied to identify, evaluate, prevent and mitigate risks and significant impacts and control checks

GRI102-29

The Company has an **internal and external complaints channel** (<https://www.redexisgas.es/sobre-redexis/principios-de-actuacion/canal-de-denuncias/>) through which complaints, reports or claims can be made in relation to the code of ethics. During the last year, no complaints have been received on this channel regarding corporate, social or environmental governance.

Also, each time an internal standard is approved, the entire company is notified of the approval of said standard, and the obligation to comply with that standard is emphasized; all internal standards are available to employees on the intranet. In case of questions or queries regarding these standards, employees can contact the legal department.

On the other hand, Redexis has approved a **Risk Management and Control Policy** in order to establish the basic principles and general framework of action to manage the risks that Redexis faces, guiding and directing the series of strategic, organisational and operational actions allowing the Redexis Board of Directors to promote compliance with the organisation's objectives, within a rigour and excellence framework aimed at safety and service in its activities. Additionally, Redexis has approved an **internal standard on the legal review of contracts, agreements and mandatory agreements** of a material nature in order to verify that the agreements entered into by Redexis comply with applicable regulations and legislation.

Redexis has incorporated all its principles and strategies into its Integrated Management System, adapting the standards of the environmental management standard **ISO 14001: 2015 and ISO 50001: 2018**, which verifies the efficient and sustainable use of energy. In 2019, it included the management standard **ISO 45001: 2018**, into its occupational health and safety management system, which represented an evolution of the management system from the OHSAS 18001 standard implemented until then.

In this way, the performance of safety and health at work and environmental management is monitored, articulating these issues in the following general documents of the Integrated Management System:

- **Procedure DOC-02** "Identification, Control and Evaluation of Legal Requirements and Other Requirements": the system used by Redexis to identify and access legal requirements and other requirements which are binding for the organisation, applicable to the environmental, energy and occupational health and safety areas of its activities, as well as subsequent verifications and updates thereof.

- **Procedure DOC-03** "Competence and Awareness": defines the methodology to identify the training needs of its employees and describes how to manage training actions and environmental and energy awareness.
- **Procedure DOC-05** "Control and Investigation of Incidents, Non-Conformity and Corrective Action": establishes and keeps up to date a documented procedure to identify, record and process accidents, incidents and non-conformities.
- **Procedure DOC-08** "SGI audits": to carry out regular audits, being understood as the systematic and documented verification process, which allows to objectively obtain and evaluate evidence to meet the objectives of the Integrated Management System.
- **Procedure DOC-09** "Emergency Situations at Grupo Redexis facilities": the methodology and system for action in Emergency situations is established.
- **Procedure DOC-10** "Operational Control, Preventive Planning, Measurement and Monitoring": includes the following monitoring and measurement activities, in order to mitigate the environmental impact and the significant energy use and consumption associated with the activities thereof and maintain the health and safety of all stakeholders.
- **Procedure DOC-13** "Identification and Evaluation of Environmental Aspects": to identify and evaluate the environmental aspects of its activity, products or services that may be controlled and those which may be influenced, and the social environmental impacts thereof, from a life cycle perspective.
- **Procedure DOC-14** "Environmental, Occupational Health and Safety and Energy Responsibility of Suppliers and Contractors": includes the communication of the applicable procedures and requirements in environmental matters, energy and occupational health and safety to suppliers and contractors.
- **Operation Standard NOss-01** "Coordination of Business Activities": controls the effectiveness of the process requested from contractors through DOC-14.
- **Specific procedure DOC-15** "Hazard Identification. Evaluation and Control of Occupational Risks and Serious Accidents": defines how the requirements relating to Occupational Health and Safety and Serious Accidents are met and in particular the identification of hazards and evaluation and control of risks.
- **Procedure DOC-20** "GHG Quantification and Reporting Manual": document for the quantification and reporting of Greenhouse Gases, as well as that generated and used in all activities, products and services in the different actions and facilities within the scope of Redexis' calculation and reporting of greenhouse gas emissions.

Likewise, Redexis continuously tracks the objectives and goals and the annual preventive action plans of its regional centres, an operational control carried out in the different work centres, using the different safety and environmental operational standards; monitors contractor companies through "*in-vigilando*"; holding meetings to coordinate business activities, expressed in the different meeting minutes of the different regions; safety and environmental internal inspection visits by the health and safety coordinators and the environmental monitoring of the works regions; facilities and maintenance activities, both regarding distribution and transmission; conducts external audit processes of the integrated management system according to **ISO 14001:2015, ISO 50001:2018 and ISO 45001:2018 standards**; verifies the Greenhouse Gas Emissions through the analysis of the Carbon Footprint Report to verify compliance with ISO 14064-1: 2012; verification audits of compliance with legal requirements regarding health and safety, environment, energy management and industrial safety are carried out; frequent meetings of the energy management team at corporate level, semi-annual meetings of the Territorial Environment and Energy Committees and quarterly meetings of the Health and Safety Committees, among other actions.

2. Risk Management

GRI 102-29, GRI 103

Redexis implements a **risk management model** aimed at identifying and assessing risks sufficiently in advance so they can be predicted in advance, preventing their effects and taking advantage of the related potential opportunities. Redexis manages this through the risk management system **Enterprise Risk Management (ERM)**, which coordinates the activities, based on the international COSO and ISO 31000 standards. The Internal Audit and Risks Department manages, evaluates and coordinates the above mentioned risks, acting as a link between the Divisions, General Management and the Chair, facilitating and thus supervising the implementation management practices and measures regarding the above mentioned risks in order to minimize or mitigate them. This department provides a logical and systematic model which allows decisions to be made and to efficiently respond to possible threats and opportunities that may arise.

Through the Risk Control and Management Policy approved by the Board of Directors in 2020, Redexis is committed to developing all its capabilities so that the relevant risks are properly identified, evaluated, managed and controlled.

The actions taken to control, manage and mitigate risks comply with the following **basic principles**:

- Integrating Redexis' decision-making and goal setting processes with its risk management.
- Optimizing risk management and control from a global organisational vision.
- Evaluating on an ongoing basis risk mitigation mechanism to guarantee their suitability, the adoption of the best market practices and the proper use thereof.
- Duly segregating the functions to identify those responsible for risk analysis, control and supervision.
- Aligning with the Risk Management Policy all the specific policies that need to be developed for organisational risks.
- Acting under the law and the values set forth in the Code of Conduct applicable to the organisation.
- Fully and transparently reporting to regulatory bodies or organisations thus requiring the main risks of Redexis and its management mechanisms, maintaining the appropriate channels to promote communication.
- Preserving the health and safety of the individuals who work in and for Redexis, as well as guaranteeing respect for the environment.

The Risk Management System is supported by a suitable definition and assignment of functions and responsibilities, in the different **stages and activities of the process**, and mainly include:

- The identification of the relevant strategy and planning, financial, ethics and compliance, reporting and operations and infrastructure risks, among others, taking into account the possible impact thereof on key management goals and activities.
- The analysis of the above mentioned risks as a key element to manage them.
- The establishment of a structure of controls and limits, which allow contributing to the effective risks' management.
- The implementation and control of compliance with the policies and guidelines, through suitable procedures and systems, including the contingency plans necessary to mitigate the impact of the risks.

- Risk evaluation and control following homogeneous and common procedures and standards.
- The regular and transparent communication of the results of the monitoring of risk control and management.
- The continuous evaluation of the system suitability and of the best practices and recommendations regarding risks to be eventually included into the model.

In this context, the **risk management system** consists of three phases:

- A first **assessment** phase in which risks are identified and evaluated, including the definition, classification and measurement of the impact and probability based on the criteria approved by the company.
- A second **management** phase in which strategies to respond to the risks are defined, and the agreed upon control instruments are supervised.
- A **third follow-up** phase in which regular reports are made regarding the events. In this phase, the control instruments are modified according to their results and the action plans are adjusted.

This management system is regularly monitored, with the ultimate objective of achieving continuous improvement and to try to avoid or anticipate risks or to mitigate them, as well as to take advantage of the opportunities that may arise.

In relation to the industry to which it belongs, Redexis has to face various risks inherent to the industry and to the market in which it operates. The main **risks associated with the industry and market in which Redexis operates in terms of sustainability**, and upon which plans are made and guidelines are established on an annual basis, are as follows:

- **Risks related to individuals (management):** Risks arising from managing people's talent, including measures to reinforce the commitment of employees to the company and its values.
- **Cybersecurity risks:** Associated with external or internal factors that may affect systems through attacks.
- **Risks of loss of biodiversity and water resources. Environmental or personal risks:** It refers to a series of risks arising from the daily operations of the organisation and due to their nature are managed to guarantee the safety of people, the safeguarding of assets, water resources and environment.
- **Reputational risks:** It includes the risks linked to external and internal factors that can negatively affect the brand image. Redexis is aware of society's growing demand for companies to make a greater active and voluntary contribution to achieve social, economic and environmental improvement. In this sense, Redexis is committed to include these considerations into its decision-making in a transparent way, aimed at establishing the best practices that contribute to the improvement of society.
- **Risks related to ethics and integrity:** They include the external or internal factors which could generate a lack of ethics or integrity. Redexis considers it is essential to guarantee compliance with the code of ethics, as well as the company's own values, and develops annual actions in order to mitigate the risks.
- **Risks related to climate change:** Risks arising from both the energy transition and a possible global warming which would mean rising average temperatures. Based on this study, Redexis carries out innovation studies and projects towards alternative energies.
- **Risks due to environmental catastrophes and external climatic phenomena:** Risks arising from potential external factors that could alter corporate continuity. In this case, Redexis has a continuity plan and has established action protocols in case they are needed.

An example during this 2020 year, has been the management of a pandemic, with the consequent management of human, material, financial and technological resources to guarantee security and gas supply at all times.

All these risks, together with the action plans and the activities carried out to contain the risks, are **regularly** submitted to the **Audit and Risks Committee**, whose main functions are as follows:

- Evaluating and reviewing Risk Management policies and practices.
- Supervising the effectiveness of the risk management and control systems.
- Reviewing the company's ability to identify new risks that may arise.
- Ensuring that the Board receives regular reports and risk control reports.
- Controlling the effectiveness of the Redexis Risk Management System.
- Checking compliance with both internal and external legal and regulatory requirements.

A more detailed risk management description can be found in the following public documents, available on the Company's website:

- In the Annual Corporate Governance Report for the 2020 financial year.
- In the consolidated Management Report for the 2020 financial year
- The Risk Control and Management Policy.

3. Our commitment to the environment

GRI 103

One of Redexis' main commitments is caring for the environment, mitigating the effects of climate change and progress towards energy transition. In this sense, the Company is firmly committed to the environment and a sustainable economy; therefore, it strives on a daily basis to achieve a society in which sustainability prevails, according to the Sustainable Development Goals (SDG) of the 2030 Agenda.

Mitigating the effects of climate change and the importance of the ecological transition are fundamental for Redexis, which has the goal of achieving a **sustainable society and economy**. In order to achieve this, it has included the **Sustainable Development Goals** (SDG) of the 2030 Agenda in its strategy.

This commitment to the environment is formalized in the **Integrated Policy**, which values environmental excellence and energy management and efficiency. Therefore, Redexis has decided to make its business environmentally friendly, committing to energy efficiency due to the scarcity of natural and non-renewable resources. To face the challenge of labour, energy and environmental safety, Redexis intensifies the necessary support and establishes the procedures required to guarantee and minimize risks, to protect workers, the rational use of resources and waste reduction, contributing to the sustainable development society demands and the achievement of guidelines and objectives.

The general guidelines and objectives governing Redexis are set out in its **Integrated Safety, Environmental and Energy Policy**. This Policy is regularly controlled and reviewed to achieve its continuous suitability. The Integrated Policy is communicated to the organisation's workers and stakeholders (suppliers, collaborating companies, temporary staff and the like) through the communication channels provided in the Integrated Management System.

Environmental Excellence is a fundamental value of Redexis' Policy, and its management is based on the following pillars:

- Environmental monitoring in the field of Redexis' activities, specifically, construction and maintenance works at facilities and infrastructures.

- Planning and executing activities in an ordered, rational way, without defects to reduce the impact on the environment.
- Improving generated waste management, applying appropriate measures to reduce, recover and recycle waste, ensuring the proper disposal of non-recoverable waste.
- Providing the necessary information and resources to establish and review the objectives and goals that guarantee environmental and energy management.
- Reducing the consumption of natural resources, through the use of recycled and/or recyclable products, promoting energy savings.
- Information and awareness among employees about the importance of proper energy management and the impact of their activities on the energy performance of the organisation.
- Compliance with the environmental requirements set forth in the environmental licenses, declarations and authorizations.
- The Company has Environmental Emergency Plans, carrying out at least one annual drill in each Autonomous Community.

Among the procedures approved by Redexis that allow **continuous monitoring of environmental evaluation or certification** are:

- **Procedure DOC-10** "Operational Control, Preventive Planning, Measurement and Monitoring": includes monitoring and measurement activities to mitigate environmental impact and significant energy use and consumption associated with its activities and maintain the health and safety of all stakeholders.
- **Procedure DOC-13** "Identification and Evaluation of Environmental Aspects": to identify and evaluate the environmental aspects of its activity, products or services which may be controlled and which may be influenced, and its asocial environmental impacts, from a life cycle perspective.
- **Procedure DOC-08** "SGI audits": to carry out regular audits, being understood as the systematic and documented process of verification that enables it to obtain and evaluate objective evidence to meet the SGI goals.

Throughout the 2020 financial year, the Company has implemented the following objectives **for the environment and energy savings**:

- Improving the transition of information and monthly report through the implementation of the scorecards of environmental management and energy management indicators.
- Reducing the Company's Carbon Footprint by 1% (Kg CO2 emitted/Km of pipeline) compared to the 2018 baseline year and the considerations of the scope when calculating the 2018 baseline year.
- Achieving average savings of 0.5% in the self-consumption ratio in 5 LNG Plants (Ciudad Rodrigo, El Barco, El Barraco, Cercedilla and Chiclana 2) in the fourth quarter of 2020 compared to the 2019 indicator.
- Achieving average savings of 0.5% in self-consumption ratio in 9 LPG plants (San Mateo de Gállego, Pinseque, Épila, Daroca, Cariñena, Castejón de Sos, Sabiñánigo, Sariñena and Valderrobres) in the fourth quarter of 2020 compared to the 2019 indicator.
- Reducing office electricity consumption by 2% compared to the baseline, incorporating presence sensors in shutdown systems.
- Increasing training hours given in environmental courses by 5% compared to 2019.
- Reducing office plastic waste by 10% compared to 2019.
- Implementing plastic and cardboard waste management in the Balearic Islands.

In order to achieve the proposed objectives, Redexis carries out a series of strategies through the GEMASST Department and has integrated environmental management, energy management and the concept of sustainable development within the Company's strategy. One of its main concerns is to show transparency, raise awareness and educate all stakeholders using documented environmental and energy criteria in planning and decision-making processes.

Redexis identifies and evaluates the environmental aspects that may be significant for its activities, trying to minimize the impact thereof. In relation to this, it is committed to making reasonable use of resources and raw materials, carrying out actions to try to minimize waste generation, emissions and dumping and preventing and controlling the pollution generated as a result of its activities, by means of the application of continuous improvement programs and the establishment of environmental and energy objectives and goals, making the Group's facilities and activities more environmentally friendly, thus managing to preserve the natural environment of the facilities by adopting measures to protect species of fauna and flora and their habitats.

Energy saving and the rational and balanced use of various energy sources are key aspects of Redexis' strategy, which is committed to promoting among its employees and the society in general, the development of cleaner and more efficient energy technologies, minimizing the carbon footprint generated.

Redexis works to continuously improve the processes, systems and capacities that guarantee greater quality and safety in the exercise of its activities, as well as in the products and services it offers, and regularly and objectively reports the performance in environmental and social areas.

It is mainly engaged in the construction and maintenance of natural gas transmission and distribution networks, considered the cleanest, most sustainable, efficient and environmentally friendly conventional energy.

Natural gas plays a key role in the Spanish energy matrix and in a context of reducing emissions, meeting consumers' needs while taking care of the environment. **Natural gas is an inexpensive, low-emission energy source,** which is highly competitive for households, businesses, and industries alike. Natural gas improves air quality, in turn supporting the introduction of renewable energies, favours competitiveness by offering lower prices to industries and guarantees security of supply.

Natural gas is an economical, reliable, comfortable and ecological energy. Among the advantages of natural gas, the following can be highlighted:

- Improvement of local and global air quality, considering it does not emit particles and has very low NO x and SO x contents.
- It provides coverage for the introduction of renewable energies in the electricity industry.
- It promotes industrial competitiveness.
- It guarantees the security of supply both at a domestic level and at a commercial or industrial level.

Electricity generation plants from natural gas and cogeneration plants for the production of electrical and thermal energy can be directly connected to natural gas distribution networks to provide consumers with cleaner and more versatile energy.

In the current and future renewable energies scenario, the infrastructures and the existing natural gas technology such as the Redexis transmission and distribution networks, are part of a fundamental strategy, an orderly energy transition without compromising the security of supply and in compliance with CO2 emission reduction targets 2.

The **Environmental Emergency Plan** has been kept up to date at all times in all Redexis facilities, while the Plans of Interior Emergency and the Self-protection Plans have been reviewed and updated, with continuous analysis and monitoring of previously defined health and safety, environment and energy management indicators.

Since 2019, Redexis annually records its Carbon Footprint in its scopes 1 and 2 in the National **Registry of Carbon Footprint of the Ministry for the Ecological Transition** (MITECO, for its acronym in Spanish), after which it was awarded the “Cálculo” seal in its natural gas transmission and distribution activities. Additionally, the Company conducts audits to verify the calculation of the Carbon Footprint, aimed at reducing the carbon footprint in three years. Likewise, the data of tons of construction and demolition waste management are collected in a unified way through Dashboards.

In order to prevent environmental risks, Redexis has internal and external human resources, an energy management IT tool and budget items allocated to the prevention of these environmental risks.

In June 2020, the audit of the **energy efficiency management system** was successfully passed, which has made it possible to obtain the ISO 50001: 2018 Certificate in transmission, storage and distribution of natural gas, LNG and LPG activities. This certification implies a transition from the previous ISO 50001 certification: 2011 to ISO 50001: 2018, which supports continuous improvement in the Company's energy efficiency management. Strong points were also highlighted in the ISO 50001: 2018 audit report, such as an exhaustive study of the context of the organisation and of the needs and expectations of stakeholders, excellent energy reviews by area, and energy efficiency improvement objectives supported by the Improvement Plans, good indicators monitoring, excellent competence and knowledge at personnel and organisational level for the efficient operation of the processes and good monitoring of energy consumption. At all times it seeks to maintain the leadership of Senior Management through **GEMASST Leadership Committee meetings**, in order to reinforce the leadership commitment in Health and Safety, Environment and Energy Management related matters defined in this Integrated Management System.

Environmental and health and safety management excellence is evidenced in Redexis' commitment to maintain continuous improvement every year in the integrated management system about Energy, Environment and Health and Safety, supported by reports and audit certificates carried out according to the ISO 50001 on Energy Management, ISO 14001 on Environmental Management and ISO 45001 on Health and Safety at Work standards. The system addresses the monitoring of energy consumption (electricity, gas, fuel) and the taking of measures to reduce consumption.

During 2020, in terms of certifications, ISO 14001: 2004 and ISO 45001: 2018 have been maintained, while migration to ISO 50001: 2018 has been completed; a transition course from ISO 50001: 2011 to ISO 50001: 2018 has been implemented. The implementation of the requirements arising from Royal Decree 840/2015 has been maintained in the SEVESO Plants and the audits of these plants have been passed without major non-conformities.

Redexis is aware that the protection of nature and the natural environment should be taken into account in any economic activity, since future generations will depend on it, thus contributing to sustainable development.

3.1. Pollution

GRI 305-1, 305-2, 305-4, 305-5 and 305-7.

In order to reduce current emissions, a **Emission Reduction Plan** has been drawn up, which includes several measures undertaken during 2020:

- Automation of boiler shut down in warm periods incorporating room temperature probe and atmospheric gas temperature probe.
- Compliance with the Plan implemented in LPG for 9 Heating System Optimisation plants.
- Incorporation of shut-down presence sensors in office lighting systems.
- Energy Efficiency Awareness Campaigns.
- Reduction of electricity consumption based on replacing lighting systems with LED technology low consumption.

The implementation of these measures following the Emissions Reduction Plan has enabled the control and reduction of the Company's emissions in 2020, reducing its Carbon Footprint and allowing its registration with the Ministry for the Ecological Transition (MITECO, for its acronym in Spanish). As detailed below, this has given rise to the fact that the estimated Carbon Footprint for 2020, without definitive data yet, will be 33,508.46 tCO₂, differentiating between Scope 1 emissions with 33,226.14 tCO₂ and Scope 2 with 282, 32 tCO₂.

3.2. Circular economy and waste prevention and management

GRI 306-2

The concept of circular economy is fundamental for Redexis, which seeks to achieve efficient production models that protect resources and reduce environmental impacts.

Redexis, through its Integrated Management System and, specifically, through the Operation **Standard "Waste Management"** establishes the system by which it ensures that the Company duly controls and manages waste produced as a result of its activity, products, services and facilities. In this way it optimises the handling of hazardous and non-hazardous waste, establishing goals for the reduction of environmental indicators and contributing to the transition towards a circular economy.

In order to carry this out and to comply with the provisions of the Waste Management Operation Standard, a series of measures have been carried out during 2020:

- **Prevention of pollution by waste:** waste should be recycled or recovered when it may be managed through these processes, avoiding disposal whenever possible.
- **Waste segregation:** the waste generator is responsible for depositing the waste separated by type, based on its LER code, without mixing and in appropriate differentiated containers, and then disposing of waste at the collection points intended for this purpose. All internal and external staff are responsible for disposing of waste in the corresponding containers
 - Hazardous waste is disposed of in hygienic and safe conditions in the areas intended for this purpose.
 - In the case of hazardous waste not generated by office activities and whose owner is Redexis, they are transferred to the nearest "Hazardous Waste Storage", taking the necessary measures to avoid damage to the containers and packaging. In these storages, it will be classified and catalogued as waste; it will

be segregated by type and temporarily disposed of in safe conditions until it is collected by an authorized processor.

- Each contractor company is responsible for the waste generated in the scope of its activities.
- **Waste storage:** each waste producing centre (offices and warehouse, if applicable) has specific areas for the storage of waste and suitable containers according to regulations, for all types of waste generated.
- **Waste Labelling:** all containers are duly labelled in a clear, legible and identifiable way (at least in the national language). The label is placed on one or more faces of the packaging, so that it can be read horizontally when the packaging is positioned as required.
- **Waste management:** non-hazardous and hazardous waste is managed through authorized managers and carriers.
- **Waste Monitoring and Measurement:** weekly measurement and monitoring of waste management is carried out through correct segregation and final delivery to the authorized processor. Authorized managers' monthly report the amount of waste managed.

Non-Hazardous Waste Management (Kg)	Waste Offices	Total 2020 (Kg)	Total 2019 (Kg)	Indicator (/employee) 2020	Indicator (/employee) 2019	Variation
Cardboard		1930	2976	5.44	8.89	-38.82%
Confidential Papers		3478	9022	9.74	22.69	-57.09%
Plastic		1469	2125	4.06	5.92	-31.45%
Total		6876	14123	19.23	37.50	-48.71%

Food waste management is only applicable in the office of the working areas where food waste residues can be generated. There are waste containers in all the offices of the Redexis working areas and they are managed through an authorized waste processor.

3.3. Sustainable Use of Resources

GRI 302-1, 302-2, 302-3, 302-4, 302-5

Water consumption is handled responsibly in all facilities and work centres. Proof of this is the savings achieved each year in **water consumption**, mainly due to the regular environmental awareness campaigns.

Non-Energy Resource Consumption (m3)	Total 2020 (m3)	Total 2019 (m3)	Indicator (/employee) 2020	Indicator (/employee) 2019	Variation in relation to indicator
Water Consumption Offices	451	553	1,25	1,53	-18,78%

Non-Energy Resource Consumption (m3)	Total 2020 (m3)	Total 2019 (m3)	Indicator (/facilities) 2020	Indicator (/facilities) 2019	Variation in relation to indicator
Water Consumption Facilities	467	256	1,29	1,61	-19,94%

At Redexis, energy consumption is **continuously**, tracked, giving us the ability to implement energy efficiency measures:

NG, LPG, Diesel, Fuel, Electricity		2019	2020 *	2020 * vs 2019
Total, energy consumed	kWh	17404317	17671399	1.5%
	m Tx, Dx and GLP networks	10818593	11277005	4.2%
	Ratio	1.61	1.57	-2.7%
Tx Positions	Consumed kWh	11860860	12383007	4.4%
LPG plants	Consumed kWh	1702691	1880208	10.4%
LNG plants	Consumed kWh	2372676	2496089	5.2%
Vehicles	Consumed kWh	973503	602202	-38.1%
Offices	Consumed kWh	494587	309893	-37.3%

*Note: Energy consumption is analysed by type of facility, by comparing years. An estimate is available for 2020 since data on electricity invoices, self-consumption and emissions for the full year have not been completed. In order to carry out the estimate, real data from January to September 2020 and data according to consumption for October, November and December 2019 have been collected. The final information will be available in February 2021.

Among the measures implemented to achieve energy savings, the following should be highlighted:

	Measures taken in 2020
Offices	Incorporation of shut-down presence sensors in office lighting systems. Energy Efficiency Awareness Campaigns.
Transmission Positions	Optimization of operating parameters in position and transmission facilities
LNG plant	Automation of boiler shut down in warm periods incorporating ambient temperature probe and atmospheric gas temperature probe.
LPG plant	Compliance with the Plan implemented in LPG for 9 Heating System Optimization plants.

The implementation of these measures has resulted in the Company meeting the following milestones:

- 2.7% drop * in total energy consumed (KWh / m Tx, Dx and LPG networks).

*Note: An estimate is available in 2020 since data on electricity invoices, self-consumption and emissions for the full year have not been collected. The final information will be available in February 2021.

3.4. Climate change

GRI 305-1, 305-2, 305-3, 305-5

Climate change constitutes one of the greatest challenges we face as a society and mitigating its effects is a key part of Redexis' strategy.

After the approval of the Paris Agreement in 2015 by the United Nations, sustainability constitutes a fundamental axis to mitigate its effects. This agreement brought together 197 nations for the first time under a common cause: to join forces to fight against climate change and to support developing countries so that they can adapt to changes. Therefore, it seeks to achieve a global agreement in which there is a coordinated and organized response to address it, with the aim that the increase in global temperature is less than 2 degrees compared to pre-industrial levels.

The European Union, a key player in this field, signed the Green Deal with the aim of becoming the first climate-neutral continent by 2050, ensuring the reduction of emissions and technological and innovative development.

The physical limits of Redexis' greenhouse gas quantification study are included in the following types of facilities:

- Redexis Offices
- Facilities, also referred to as transmission positions
- LNG plants
- Vehicle fleet
- Networks (associated with diffuse emissions)

During 2020 financial year, Redexis has carried out the analysis exercise proposed by the Task Force on Climate related Financial Disclosures (TCFD). The TCFD sets forth the recommendations so that information disclosure about the risks and opportunities generated by climate change is transparent, comparable and consistent, so that the implementation of these recommendations helps companies to show their responsibility and forecasting ability vis a vis the circumstances associated with climate change. In this sense, Redexis has analysed the risks and opportunities associated with climate change with the 2030 goal and has identified the necessary lines of action to mitigate or adapt to the circumstances arising from climate change, having this Report been submitted to the corporate Board of Directors.

Redexis considers that climate change constitutes a global environmental challenge that requires everyone's contribution to mitigate its effects. CO emissions², for example, are one of the factors that most influence global warming. Therefore, the Company constantly works to reduce its emissions through significant investments to update its infrastructures and optimize its activities, thus improving the energy efficiency thereof.

Redexis develops **tools for measuring and controlling greenhouse effect emissions** to reduce them. One of the most outstanding initiatives is the one related to the calculation of the carbon footprint in its scope 1 and 2, an exercise of information and transparency that resulted in being awarded the "Calculation" seal from the Ministry for the Ecological Transition for its transmission activities and natural gas distribution carried out at its headquarters in Madrid.

Scope 1	Emissions associated with fuel consumption in facilities
	Emissions associated with the fuel consumption of the transport fleet
	Emissions associated with refrigerant gas leaks
	Emissions associated with gas leaks in pipelines
Scope 2	Emissions associated with electricity consumption in facilities

Aware of the impact that its activities cause on the environment and in order to establish effective and efficient emission reduction policies, Redexis calculates its greenhouse gas emissions generated from the transmission, distribution and storage of natural gas in Spain. Redexis prepares its report in order to calculate the carbon footprint of its activity and transparently communicate the corporate emissions to its stakeholders. The main objectives pursued by carrying out this initiative are as follows:

- Knowing and evaluating the Greenhouse Gas (GHG) emissions of the organisation to identify opportunities to reduce the carbon footprint.
- Improving the position with society in general, maintaining a responsible commitment to continuous improvement.

- Registering the carbon footprint in the National Carbon Footprint Registry of the Ministry for the Ecological Transition (MITECO, for its acronym in Spanish).

In order to reduce current emissions, an **Emissions Reduction Plan** has been drawn up, which includes several measures, carried out during 2020:

- Automation of boiler shutdown in warm periods incorporating room temperature probe and atmospheric gas temperature probe.
- Compliance with the Plan implemented in LPG for 9 Heating System Optimization plants.
- Incorporation of shut-down presence sensors in office lighting systems.
- Energy Efficiency Awareness Campaigns.

The implementation of these measures has led to a reduction in the various indicators:

- 2.26% decrease in the Company's Carbon Footprint (t CO₂ / m Tx, Dx and LPG networks).

The carbon footprint reduction measures are the planned actions to reduce energy consumption in the action plan of the ISO 50001 energy management system implemented in Redexis.

- **Carbon Footprint Indicators ***

Carbon footprint (tCO ₂)	2018			2019			Estimated 2020		
	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total
Offices	---	136.41	136.41	1.43	87.43	88.86	1.3	54.62	55.92
LNG plants	456.7	82.7	539.4	420.73	49.45	470.18	452.21	48.32	500.53
LPG Plants				381.85	14.29	396.14	410.58	13.09	423.67
Transmission Positions	2424.14	262.5	2686.54	2198.70	162.66	2361.36	2326.21	166.29	2492.50
Vehicle fleet	241.88	---	241.88	237.9	---	237.9	144.54	---	144.54
diffuse emissions	30820.67	---	30820.67	29305.06	---	29305.06	29891.30	---	29891.30
	33943.39	481.61	34424.90	32545.67	313.83	32859.50	33226.14	282.32	33508.46

Ratio (t/ km Tx, Dx and LPG)	2018	2019	Estimated 2020	Variation 2019 vs 2018	Estimated Variation 2020 vs 2019
Total A1 + A2	3.6	3.04	2.97	-15.70%	-2.26%
Scope 1	3.55	3.01	2.95	-15.40%	-2.11%
Scope 2	0.05	0.03	0.03	-42.50%	-16.55%

Note*: The 2018 and 2019 data have been audited according to the UNE-EN ISO 14064-1 Standard: 2012 Greenhouse Gases and the registration of the Carbon Footprint has been made in the Ministry for the Ecological Transition. The 2020 data are estimated data as we will not have the actual data until February / March 2021.

The calculation methodology is explained in the 2018 and 2019 Carbon Footprint calculation reports, verified according to audit according to the UNE-EN ISO 14064-1 Standard: 2012 Greenhouse gases. Estimates in 2020 are made based on this methodology taking into account 2020 real values between the months of January to September and taking as estimates the real consumption of the months of October, November and December of 2019.

The criteria established in DOC.20 have been used. "GHG Quantification and Reporting Manual" of our integrated management system and the calculation tool used has been developed by an external consultancy based on its experience in the Carbon Footprint Calculation field.

The methodology for obtaining activity data for each emission source is as follows:

- Electrical consumptions: The data on electricity consumption will be obtained from the invoices of the commercial electricity companies. The invoices are collected by an external service which uploads the invoices to an online platform, from where the person responsible for the calculation will upload the consumption to the carbon footprint calculation tool.
- Natural Gas Consumption: The activity data for Natural Gas consumption will be obtained from the readings of the NG meters, owned by REDEXIS.
- LPG consumptions: The activity data of the LPG consumption will be obtained from the readings of the LPG meters, owned by REDEXIS.
- Fleet fuel consumption: The activity data associated with the use of vehicles will be collected from the information provided by the Solred cards.
- Diffuse methane emissions: the activity data used to quantify the emissions produced by operating activities and the gas permeability in the pipelines will be collected using two different methodologies:
- In the case of diffuse emissions from distribution networks with an MOP > 16 bar, as well as in the case of transmission networks, the calculation and data collection is carried out based on the guidelines of the linear method established by Sedigas in the report "Methodology for the Quantification of Methane Emissions in Gas Distribution Systems. Publication dated September 2019, while in the case of diffuse emissions from distribution networks with a MOP ≤ 16, the event method of the same methodology is used where the amount of emissions produced is estimated based on the events produced integrating data in order to determine methane emissions according to different types of event.
- Fluoride leaks from air conditioning and refrigeration equipment: The activity data for refrigerant gas leaks will be obtained from the maintenance reports of the air conditioning and refrigeration equipment, where the gas refills are recorded.

The estimated uncertainty of the emissions is a combination of the uncertainties in the emission factors and the uncertainties in the corresponding activity data. The emission factors used to carry out the organisation's GHG Inventory are extracted from official sources and specific for each source category. The selection of these emission factors is intended to reduce the uncertainty as far as possible.

Within this methodology, the values collected in the GWPs of the fourth IPCC report are used as a reference based on the communication made with the Inventory Unit, General Sub Directorate for Air Quality and Industrial Environment.

The activity data used to make the organisation's GHG inventory are extracted from invoices or supplier contracts for each of the sources.

The level of uncertainty of the consumption and the activity values incurred by Redexis are considered low. The uncertainty values of the emission factors provided by the CNMC and the Ministry for the Ecological Transition are also low, but the uncertainty of the factors to calculate diffuse emissions is considered high considering it is based on average empirical values developed through a reduced sampling. Therefore, the total level of uncertainty in the calculation of the Carbon Footprint is considered medium.

3.5. Protection of biodiversity

GRI 304-1, 304-2, 304-3, 304-4.

Redexis is firmly committed to the **conservation of natural capital and biodiversity**. Its activity management deeply takes into account the comprehensive treatment of its impacts, maintaining a preventive attitude towards its generation and correcting those which may have taken place.

Always under a precautionary principle, Redexis carries out **environmental studies** during its infrastructures and facilities design phase to minimize the possible negative impacts thereof throughout their useful life. If these facilities are close to protected areas or areas of high biodiversity value, Redexis carries out specific studies in order to adapt the project and thus avoid, reduce or compensate for the impacts on these areas. Additionally, it develops a **surveillance program** both for the works phase and for the operational phase in order to apply the necessary preventive and corrective measures for, among others, waste management, control of on-site machinery and vehicles, communication with environmental agencies and compliance with defined environmental specifications.

When building a gas pipeline, the following phases are followed:

- Control of environmental obligations presented in the Environmental Impact Declaration
- Environmental Surveillance Program
- Waste Management
- Archaeological Control
- Landscape Restoration and Improvement

After construction, a series of guidelines are carried out to reforest the affected area. With the **environmental monitoring developed by Redexis** in the identified areas in order to avoid possible environmental damage, impacts are monitored and the effectiveness of the preventive and corrective measures established in the Environmental Impact Assessment procedure is tracked, as well as certain conditions such as the appropriate treatment of hazardous and non-hazardous waste, the exhaustive control of machinery and the like. This monitoring will be extended for the term set forth in the Environmental Impact Assessment, upon receiving confirmation of the agencies in charge of certifying completion, due to the fact that the results of environmental restoration and repopulation have already been obtained.

As an example of archaeological control, in 2020 and as a result of excavation work in Palma de Mallorca, Roman archaeological remains from the 1st and 2nd centuries AD were found. The Administration Heritage Service directed the pertinent actions in the environment, taking samples following its guidelines, expanding the rasa and placing protective material. Finally, the gas pipe was placed without damaging the remains found.

4. Our commitment to employees

4.1 Employment

GRI 103, 102-8, 405-1, 405-2

Redexis has a **Code of Ethics and Conduct** which reflects its commitment to all the business ethics and transparency principles; thereby establishing a series of behavioural procedures and guidelines ultimately aimed at guaranteeing the responsible and ethical behaviour of all the individuals which are part of the Company. Likewise, this Code summarizes and sets forth the values and good practices that should govern the business conduct and the conduct of all the professionals who are both directly and indirectly part of Redexis, in its activities.

The Company also has a **Collective Agreement** which was signed with the U.G.T. and CC.OO and with the workers' representatives, which defines how labour relations, social benefits and other issues regarding the relationship between the company and the corporate workers are organized, always seeking to benefit and satisfy the needs of each individual who is part of Redexis.

As a sign of Redexis' commitment to equal opportunities and the fight against inequalities, the Company has an **Equality Plan** which ensures equal opportunities in all levels, selection, hiring, remuneration and internal promotion, guaranteeing equal professional development of all individuals and promoting a business culture based on equal opportunities.

Due to the pandemic crisis that has completely transformed the way of working and has promoted teleworking, **Redexis has valued digital disconnection** and has established a series of guidelines such as the need to respect break periods, holidays, avoid calling meetings and sending emails outside working hours, the rational use of digital tools and the like.

For Redexis, success is closely related to its staff and it is essential to attract and retain people who share the same values and who are committed to sustainable corporate development.

Redexis is **committed to equal opportunities and promotes diversity**, leading to the development of objective and impartial selection and hiring processes, exclusively meeting merit and personal abilities criteria, promoting **stable and permanent contracts** whenever possible.

Additionally, there is an emphasis on hiring under-represented groups and a scholarship program so that young people can access the labour market.

Creating employment and attracting talent are fundamental objectives for Redexis, to achieve excellence in its activities by creating long-term value. At the end of 2020, Redexis had 348 direct employees in Spain.

- **Workforce at year-end 2020 broken down by age, gender and professional category**

2020			
Professional Category/Age	Men	Women	Total
Executive Committee	9	4	13
1. <30 years	-	-	-
2. 30-40 years	2	1	3
3. 41-50 years	4	2	6
4. < 51 years	3	1	4
Directors and Managers	92	18	110
1. <30 years	-	-	-
2. 30-40 years	16	6	22
3. 41-50 years	61	11	72

4. < 51 years	15	1	16
Technicians and Support	144	70	214
1. <30 years	7	5	12
2. 30-40 years	42	21	63
3. 41-50 years	59	33	92
4. < 51 years	36	11	47
Other categories *	6	5	11
1. <30 years	1	1	2
2. 30-40 years	1	1	2
3. 41-50 years	2	2	4
4. < 51 years	2	1	3
TOTAL	252	97	348

(*) Other categories include sales representatives and telephone service professional categories

- **Total number and distribution by type of contract:**

2020			
Contract Type	M	W	T
Indefinite	251	96	347
Temporary	-	1	1
Total	251	97	348

- **Total average and distribution by type of contract, sex, category and age:**

2019	Indefinite			Temporary					2020	Indefinite			Temporary			
	M	W	T	M	W	T	T			M	W	T	M	W	T	T
Executive Committee	9	4	13	0	0	0	13		Executive Committee	9	4	13	0	0	0	13
1. <30 years	0	0	0	0	0	0	0		1. <30 years	0	0	0	0	0	0	0
2. 30-40 years	2	1	3	0	0	0	3		2. 30-40 years	2	1	3	0	0	0	3
3. 41-50 years	5	2	7	0	0	0	7		3. 41-50 years	4	2	6	0	0	0	6
4. >= 51 years	2	1	3	0	0	0	3		4. >= 51 years	3	1	4	0	0	0	4
Directors and Managers	93	19	112	0	0	0	112		Directors and Managers	93	18	111	0	0	0	111
1. <30 years	0	0	0	0	0	0	0		1. <30 years	0	0	0	0	0	0	0
2. 30-40 years	20	9	29	0	0	0	29		2. 30-40 years	16	6	23	0	0	0	23
3. 41-50 years	61	10	71	0	0	0	71		3. 41-50 years	62	11	72	0	0	0	72
4. >= 51 years	12	0	12	0	0	0	12		4. >= 51 years	15	1	16	0	0	0	16
Technicians and Support	151	69	219	2	4	6	225		Technicians and Support	152	70	222	1	1	2	224
1. <30 years	11	7	18	1	3	4	22		1. <30 years	7	5	12	0	0	0	12
2. 30-40 years	46	20	66	1	1	2	68		2. 30-40 years	43	20	63	1	1	2	64
3. 41-50 years	57	30	87	0	0	0	87		3. 41-50 years	59	32	91	0	0	0	91
4. >= 51 years	37	12	49	0	0	0	49		4. >= 51 years	43	13	56	0	0	0	56
Other categories:	5	1	7	8	3	11	18		Other categories:	6	6	12	2	1	3	15
1. <30 years	0	1	1	1	0	1	2		1. <30 years	1	1	2	0	0	0	2
2. 30-40 years	1	1	2	2	1	4	6		2. 30-40 years	1	2	3	1	1	2	5
3. 41-50 years	3	0	3	3	2	4	8		3. 41-50 years	2	2	4	1	0	1	5

4. >= 51 years	1	0	1	1	0	1	2		4. >= 51 years	2	1	3	0	0	0	3
TOTAL	258	93	351	10	6	16	368		TOTAL	260	98	358	3	2	5	363

(*) Other categories include sales representatives and telephone service professional categories

- **Number of terminations of employment contracts by the company at the end of the 2020 financial year, broken down by age, gender and professional category:**

2020

Professional Category/Age	Men	Women	Total
Directors and Managers	1	0	1
3. 41-50 years	1	0	1
Technicians and Support	9	2	11
3. 41-50 years	1	0	1
4. < 51 years	8	2	10
Other categories (*)	10	0	10
1. <30 years	1	0	1
2. 30-40 years	3	0	3
3. 41-50 years	5	0	5
4. < 51 years	1	0	1
TOTAL	20	2	22

(*) Other categories include sales representatives and telephone service professional categories

- **Average salaries broken down by age, gender and professional category (**, ***):**

2019				2020			
Prof/Age Group *	M	W	T	Prof/Age Group *	M	W	T
Directors and Managers	69284	65330	68590	Directors and Managers	70479	66742	69867
1. <30 years	-	-	-	1. <30 years	-	-	-
2. 30-40 years	70723	69802	70469	2. 30-40 years	71005	75110	72125
3. 41-50 years	68964	62349	67877	3. 41-50 years	70669	60787	69159
4. >= 51 years	68394	-	68394	4. >= 51 years	69144	82033	69950
Technicians and Support	42161	34295	39654	Technicians and Support	42590	35157	40159
1. <30 years	31307	26492	29556	1. <30 years	35004	28268	32197
2. 30-40 years	35018	32092	34043	2. 30-40 years	35615	34354	35195
3. 41-50 years	43253	36174	40812	3. 41-50 years	41802	36888	40039
4. >= 51 years	52888	39020	49625	4. >= 51 years	53496	34627	49080
Other categories	15040	15644	15228	Other categories	15843	15524	15698
1. <30 years	14800	17200	15600	1. <30 years	15037	17475	16256
2. 30-40 years	15600	14800	15333	2. 30-40 years	17475	15037	16256
3. 41-50 years	14800	16100	15200	3. 41-50 years	16237	15037	15637
4. >= 51 years	14800	14800	14800	4. >= 51 years	15037	15037	15037
Overall Total	49595	38734	46617	Overall Total	52470	40215	49078

(*) Other categories include sales representatives and telephone service professional categories

(**) Data for the directors of the steering committee is not included.

(***) Fixed and variable remuneration by objectives are shown.

- **Gap and Minimum index-linked Wage (*)**

The pay gap between men and women is the difference between the wages received by workers of both sexes, calculated based on the average difference between gross income of all workers. The pay gap between men and women is shown as a percentage of the income of the male population and represents the average of the differences between the gross income of workers of both sexes. In the EU, the gender pay gap is officially called the unadjusted gender pay gap, as it does not take into account the individual characteristics of workers and the factors influencing this difference, such as differences in education, work experience, hours worked, the type of work and the like.

The pay gap in Redexis is lower than the average pay gap in Spain published by the National Institute of Statistics (INE, for its acronym in Spanish) for the latest available period.

2020
17.7%

Concept and calculation of salary difference	
The salary differences are calculated as follows:	
	Salary difference: men's retribution - women's retribution/men's retribution
The result is showed as a percentage and has the following interpretation:	
>0%. It means that women receive less salary than men. It would be expressed as "women receive x% less than men", where the men's retribution is taken as a reference. As an example: Men's retribution=100; Women's retribution=85 Salary difference=100-85/100=15%. "Women recive a 15% less salary than men"	
0%. It means than women earn same than men	
<0%. It means that women earn more than men	

(*) The minimum wage included in Redexis collective agreements is 13% above the minimum inter professional wage in Spain in 2020.

- **Directors and Managers compensation ***

2020	
Promedio	
H	398.698
M	362.714
T	387.626

(*) Information about the remunerated directors of the Board of Directors, as well as the managers who are members of the management committee.

4.2 Work organisation

GRI 103, 403-2.

Redexis' commitment to its employees is reflected in the **flexible remuneration model**, through which achievements and the achievement of individual goals are rewarded, increasing productivity and effectiveness. Within this model there are different programs:

- **Flexible Remuneration.** Redexis cares about the individual well-being of each employee, which is why they are offered the possibility of accessing a series of products according to their needs. This program includes medical insurance, transmission, restaurants, and childcare.

- **Redexis Discount Club.** Employees can access a series of discounts on different items and products such as movie tickets, shows, travel, hotels, sports, fashion and the like.
- **Life and Personal Accident Insurance, and Pension plan.** All employees have life and accident insurance from the moment they join Redexis and, after one year, they can join a pension plan, considered a socially responsible investment.

Redexis is committed to the health and well-being of its employees and has signed with trade unions of U.G.T. and CC.OO. the **II Corporate Collective Agreement**, which improves working conditions in different aspects:

- Gradual **reduction in annual working hours**
- **Increase in vacation days**, which will increase to 25 in 2020 and 2021.
- Establishment of a **salary update mechanism** with a fixed percentage which includes a review mechanism with the CPI.
- **Non-consolidated payment** related to the achievement of the Company's EBITDA.
- **Improvement of social benefits:** increase in Redexis' contribution to the pension plan, subsidy of 70% of the private health insurance premium, increase in compensation for on-call availability and performance time from working hours to shifts and the like.

Upon the publication of Royal Decree-Law 8/2019, dated March 8, **Redexis guarantees the daily record of the working day of all its employees**, thus fighting against job insecurity and taking social protection measures.

- **Absence hours:**

	2020
Absence hours	7104

4.3 Health and Safety

GRI 103, 403-2, 403-3, 403-4, 403-9, 403-10.

Redexis acts beyond compliance with current applicable legislation and promotes **continuous improvement in working conditions and in health and safety and well-being management**. Redexis involves its employees, suppliers, collaborators, users and other stakeholders related to its activity, aimed at acting with maximum safety.

In terms of issues related to **occupational health and safety**, the Company set a series of objectives for the 2020 financial year:

- Compliance with the following joint Accident Rates for employees and contractors:
 - Average Combined Frequency Index last 3 years <2.08
 - I.F = No. Accidents/No. hours worked * 1000000
 - No. Accidents with sick leave and without sick leave averages in the last 3 years lower than 9.
 - 0 Fatal Accidents.
- Implementation of the Employee Support Program within the framework of the 2020 Psychosocial and Well-being Action Plan.
- Carrying out 7 ergonomic studies in workstations in fixed centres.
- Organising 1 day to raise awareness on PRL for Executives, Middle Managers and Technicians in the execution of works business area.
- Carrying out a minimum of 20% of the drills in SEVESO plants with the participation of external means.
- Increasing training hours given in occupational health and safety courses by 10%.
- Updating the First Aid Training by 25% for all Redexis personnel.
- Launching healthy lifestyle campaigns for the employees.

- Administering a course on Time Management and Psychosocial Planning.

In order to achieve the proposed objectives, Redexis has implemented a series of strategies that have been carried out by GEMASST management team; special emphasis has been placed on promoting leadership and promoting sensitivity and awareness for occupational health and safety matters. **From Redexis, well-being and a healthy lifestyle have been promoted throughout 2020, monitoring and taking into account the medical conditions of all employees at all times.**

The Company maintains in all its work centres and in its facilities a permanent control of compliance with the applicable legal requirements and other requirements that the organisation subscribes in terms of health and safety, the environment and energy.

Employees are guaranteed at all times training in occupational health and safety which is considered sufficient and suitable for the correct performance of work activities, identifying and controlling risks and eliminating the dangers that can be detected, taking the appropriate measures. Redexis, ensures general information on this matter to employees at all times through their representatives, as well as direct information on the specific risks that may affect their jobs or functions, informing the application and prevention measures that may be necessary to mitigate these risks. Employees are consulted at all times and their participation is sought in matters affecting their health and safety through their social representatives.

The Company acts at all times, both vis-à-vis society and its employees, according to the prevention criteria arising from the legal and regulatory framework, as well as the Redexis Integrated Management System, verifying compliance with the applicable legal requirements. This System is regularly reviewed and measures are taken to continuously improve the effectiveness thereof. These criteria are integrated into prevention management at all Organisational levels, without exception.

The **Integrated Management System Course** has been incorporated into the Redexis Campus for new employees in order to guarantee information on how the areas of occupational health and safety, the environment and energy management are managed. On the other hand, there have been meetings of the **Working Group on Psychosocial and Well-being** created in November 2019 as an engine to encourage workers to participate in well-being and psychosocial activities. The Working Group is made up of different members of the Company's Management, the Prevention Service and Prevention Delegates (representatives of the employees). In order to carry this out, the **Psychosocial and Well-being Action Plan** has been drawn up and implemented, consisting of 16 psychosocial and well-being actions agreed upon by the Working Group in order to mitigate the risks generated by the psychosocial risk assessment carried out in 2018. It is a biannual Action Plan 2020-2021. On April 28, 2020, and taking advantage of the International Health and Safety Day, the **“Workshop on Healthy Eating through Conscious Decision-making”** was launched on the Redexis Campus, given online by a nutritionist (personalised corporate video) and with the possibility of conducting a survey of healthy lifestyle, accessible at the end of the workshop, in total confidence, after which a personalized diagnosis and various recommendations can be downloaded. Employees have also been offered the possibility of holding an open microphone consultation workshop with the expert nutritionist.

The **Redexis Healthy** initiative has been launched as well, which started up in April 2020 with the launch of the **“Redexis Healthy Wellness”** program. This new brand seeks to encompass all the actions to be implemented aimed at taking care of the physical and mental well-being of employees. Through this first program, the aim was to make an Employee Support Program

available to Redexis employees, which, designed by the external advisor BH Consulting, was aimed at taking care of the emotional and personal state of employees, offering the following areas intervention:

- **Psychological assistance to employees:** free and confidential psychological assistance to all employees of the organisation.
- **Coaching sessions** for employees thus requesting it: this resource allows individuals to develop skills in a personalised way and adapted to their own personal or professional challenges, closely supported by a personal coach. They focus on skills such as public speaking, improving social skills or improving time management. Sessions are conducted by video call or by phone.
- **Wellness Programs:** All employees can enjoy individual training for free which will help as a tool to face any challenge or personal goal. The sessions proposed in 2020 have been: reconciliation of family and work life, time management, problem solving, coping with stress, emotional management of uncertainty and occupational healthy relationships.
- **Wellbeing Portal:** It is an exclusive portal for all Redexis employees containing resources and information to learn how to take care of their well-being. This portal is updated every week with articles, videos, tips, books, specialist recommendations, and verified news prepared by professionals.

Redexis is working steadily to achieve objectives aimed at reducing the risks or dangers that may emerge in work environments, offering recommendations and alternatives aimed at the safety of its employees. The GEMASST Management controls the number of days without accidents and carries out this monitoring through different health and safety committees, with the **objective of reducing accidents to zero**. There is also a technological tool for the registration, monitoring and analysis of health care provided through the “Misalud” app, made available by the third-party prevention service, Quirón Prevention.

In each work centre of the Company, there are records showing the members and appointments of the members of the **Emergency Teams** and their first aid training, with annual drills being carried out at the SEVESO Plants which include environmental and occupational health and safety scenarios, to guarantee the safety of workers at all times, and the **Explosion Protection document** was updated.

As a company concerned with occupational health and safety, Redexis is equally concerned with the well-being of its employees outside the work environment, which is why the **Mobility Plan** was updated and the **road safety campaign** was launched during the holidays, distributing a **Safe Driving Decalogue**. All of this led to the recovery of the **Mobility and Road Safety Commission**, resuming the regular quarterly meetings.

Recently, the **GEMASST Leadership Committee** has been created, which is aimed at reinforcing the leadership of Senior Management and their commitment in areas related to occupational health and safety and the environment. Regarding this, a **matrix of roles and responsibilities** was developed defining the functions of each area at Redexis.

There have also been 3,236 occupational health and safety inspection visits made at construction sites and 609 visits to facilities. There have been 29 drills carried out during 2020 at the Redexis facilities.

In 2019 Redexis continued to make progress in its commitment to safety at work by certifying its **Occupational Health and Safety Management System (SST)** in the new ISO 45001 standard: 2018. This certification implies a transition from the previous certification (OHSAS 18001). In this sense, the certification issued to Redexis by **British Standards Institution**, a leading standardisation body in auditing and certification, further consolidates the corporate commitment and leadership in the field of Occupational Health and Safety, Environment and Energy, through an Integrated Management System for its activity.

ISO 45001 is currently the most prestigious international standard for occupational health and safety. Its greatest advantage is that the health and safety management system should adapt to the High-Level Structure which now includes all new versions of ISO standards. This implies a greater alignment of the organisation's strategy with the health and safety management of its workers, reflecting greater leadership from the Management in this area. Additionally, ISO 45001 makes significant progress in terms of the obligations in employees' consultation and participation; therefore, they should now be empowered and made part of certain areas such as the definition of policies, objectives, needs and expectations. Redexis is also working to continue offering its employees a health and wellness plan, promoting healthy lifestyle habits in accordance with its **Healthy Company certificate**.

Redexis against COVID-19

Due to the pandemic caused by SARS-CoV-2 (Covid-19) which led to the approval of the State of Alarm in Spain on March 14, 2020, a **Covid-19 Monitoring Committee** was created to establish a channel of communication for employees at all levels during this crisis. This Committee has sought to define a protocol of contingencies and preventive measures in the face of the crisis, adapting to this extraordinary situation, considering the needs of the teams and coordinating resources to return to normal work rates, guaranteeing the physical and mental health of employees.

Likewise, a regular weekly information campaign with the **Protocol of contingencies and preventive measures against Covid19** has been prepared and distributed for all employees. The pandemic forced Redexis to adapt to a new way of working, teleworking, and put the Company's human and material resources to the test. In order to carry out the adaptation process and start working remotely to safeguard the health of employees and comply with current legislation, Redexis developed and distributed a **Telework Risk Assessment**, an **online telework course** was given, technical instructions were given to employees with preventive measures to be applied when using mobile technology (**Mobile IT**) and relaxation exercises were offered to prevent physical fatigue (**IT relaxation exercises to prevent physical fatigue**).

At the same time, to ensure safe and stable work environments, **telework questionnaires** were created for all workers to reflect the particular conditions of everyone in their homes and if the recommended ergonomic measures are not available, inform the GEMASST Area Manager for analysis and, where appropriate, to adopt measures (for example, provision of a lumbar cushion for their chair, provision of a footrest for home...etc.).

To keep employees informed at all times about the development of the pandemic and the protocols that the Company was applying, a **Covid-19 Space was created on the intranet** and **evaluations of workers who are especially sensitive to Covid-19** were carried out, to ensure the physical and emotional well-being of all Redexis employees at all times. Priority was given to the **welfare of the Control Centre workers**, as they do not have the possibility of teleworking as their work is essential in monitoring and controlling the infrastructures at all times, and a secondary backup control centre was set up. The customer service and emergency network and facility services, the tank discharge operations in gas plants and the home emergencies services

were maintained at all times, thus guaranteeing the supply of natural gas and LPG at all times. In addition, since they are considered essential work, they continued to carry out accredited call out actions related to the continuity of supply, as well as preventive and corrective maintenance tasks. Engineering, processing, and construction work continued, all related to supply continuity. On the contrary, non-urgent call out work or work not related to the continuity of supply was avoided.

- **Occupational Health and Safety Indicators**

Health and Safety at work is a key aspect of Redexis' strategy, carrying out the strategies described above to achieve the proposed objectives. As a result of these actions, the resulting indicators on Health and Safety at work are shown below:

		2020
Employees	Hours Worked (THW)	208,051 (women) 534,988 (men)
	Accidents	0
	Without Sick Leave	0
	With Sick Leave	0
	Severe	0
	Fatal	0
	Days Lost	0
	Days Lost due to Sick Leave	0.0
	Frequency rate *	0.00
	Severity rate (without Sick Leave) **	0
	Severity rate **	0.00
Contractors	Hours Worked (THW)	1,409,086 (men) 0 (women)
	Accidents	2 (men) 0 (women)
	Without Sick Leave	0
	With Sick Leave	2 (men) 0 (women)
	Severe	0
	Fatal	0
	Days Lost	0
	Days Lost due to Sick Leave	16.0 (men) 0 (women)
	Frequency rate *	1.42
	Severity rate (without Sick Leave) **	0
	Severity rate **	0.01
Employees + Contractors	Hours Worked (THW)	208,051 (women) 1,944,075 (men)
	Accidents	2 (men) 0 (women)
	Without Sick Leave	0
	With Sick Leave	2 (men) 0 (women)
	Severe	0
	Fatal	0
	Days Lost	0
	Days Lost due to Sick Leave	16.0 (men)/0 (women)

Frequency Rate*	0.93
Severity Rate (without Sick Leave)**	0.00
Severity rate **	0.01

(*) Frequency rate = (Accidents with Sick Leave * 1,000,000) / Hours worked

- Accidents with sick leave (AWL) = own personnel AWL (Work accident reports notified by the company in the Delt@ official electronic declaration) + contracted personnel AWL (Work accident reports notified by the contractor in the Delt@ official electronic declaration and communicated to Redexis)

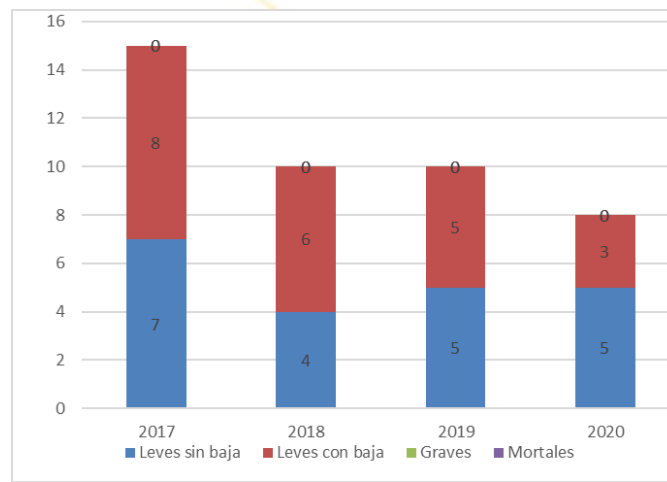
- Hours Worked (HW) = HW own personnel (Working hours registered by HR of own personnel) + HW contracted personnel (Hours worked by contracted personnel communicated to us through the DEA Format "Accident Statistical Data" of the integrated management system)

(**) Severity rate = (No. of days lost * 1,000) / Hours worked

- No. days lost (DL) = No. days of Sick Leave due to work accident

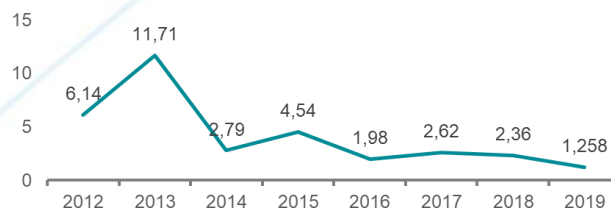
- Hours Worked (HW) = HW own personnel (Working hours registered by HR of own personnel) + HW contracted personnel (Hours worked by contracted personnel communicated to us through the DEA Format "Accident Statistical Data" of the integrated management system)

Breakdown of fatal, severe, and minor accidents (own personnel and contractors)



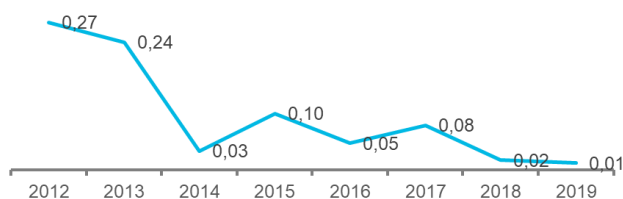
Accident frequency rate (own personnel and contractors) AFR₂₀₁₉=1.26

(accidents with sick leave x10⁶ / hours worked). AFR₂₀₂₀=0.93



Accident severity rate (own personnel and contractors) ASR₂₀₁₉=0.01

(No. Of days lost x1000 / hours worked) ASR₂₀₂₀=0.01



SST Inspection Visits (Units)	Total 2020 (Units)	Total 2019 (Units)	Indicator (/ml built) 2019	Indicator (/ml built) 2020	Variation
No. SST Inspection Visits (worksite)	3236	3902	0.0074	0.0117	58%
No. SST Inspection Visits (M and O)	609	617	2.35	2.32	-1.30%

A series of business meetings are held to coordinate the works, maintenance, and operations of the different facilities. Studies are carried out in the offices to detail the safety, health, and work conditions of each of the centres.

	Total 2020 (Units)	Total 2019 (Units)	Indicator (/ml built) 2019	Indicator (/ml built) 2020	Variation
No. CBA Meetings Works	254	228	0.0004	0.0009	112%
No. CBA Meetings Maintenance and Operation	96	146	0.5573	0.3664	-34%
No. Security Plans carried out or updated (Work)	385	414	0.0008	0.0014	77%
No. RA performed in office	8	28	1.6471	0.4706	-71%
No. Office Hygiene Assessments	5	26	1.53	0.2941	-81%

To guarantee the health and safety of the professionals at all times, Redexis has detailed emergency and self-protection plans in its offices and facilities, which entail the regular performance of drills to ensure that these plans are operative at all times and any need for updates, which means that everyone knows how to act at any given time.

	Total 2020 (Units)
No. of Internal Emergency Plans carried out (IEPs)	13
No. of Self-Protection Plans carried out (SPPs)	28
No. of Explosion Protection Documents issued (EPDs)	9
No. of drills carried out in facilities	29
No. of Office Emergency Plans	11

Health and safety training is vital for Redexis, which is why GEMASST management carries out training actions that seek to integrate these aspects into the workforce and raise awareness about the possible risks in their business activity, and how to detect them.

	Total 2020 (Units)	Total 2019 (Units)	Indicator (/employee) 2019	Indicator (/employee) 2020	Variation
No. Training Actions carried out	201	122	0.34	0.56	39%
No. Training Hours Trained	2423	1516	4.22	6.69	37%
No. Workers Trained	1303	605	1.69	3.60	114%

Abbreviations: M and O: Maintenance and Operations; CBA: Coordination of business activities; RA: Risk assessments; IEPs: Internal Emergency Plans; SPPs: Self-Protection Plans; EP: Emergency Plans.

4.4 Social relations

GRI 103, 403-1, 403-4, 402-1, 102-41,

In 2019, Redexis approved its **2nd Collective Agreement** within its objective of ensuring job stability and improving working conditions, which covers 87% of Redexis employees. This agreement is valid for 4 years and grants improvements such as:

- Increase in days off.
- Establishment of a salary review procedure to avoid loss of purchasing power.
- Improvement of social benefits (pension plan, subsidies for health insurance, etc.).
- Variable remuneration (bonus) applicable to all employees based on objectives.

The Company's labour relations are coordinated through the **2nd Collective Agreement**, which establishes the existence of an Inter-Centre Committee, made up of a maximum of 5 members, who will be appointed from among the members of the different Centre Committees and/or Personnel Delegates of the company.

This Committee has the following powers:

- To be a valid agent in dealings with the business area in individual or collective matters in which the Inter-Centre Committee has been expressly delegated by the Centre Committee, Personnel Delegate and/or those workers who request their intervention, so that, the decisions adopted by the Inter-Centre Committee in these matters will be binding on those who have agreed the delegation.
- Annually the company informs the Inter-Centre Committee about the company's global hiring plans.
- The company reports annually to the Inter-Centre Committee about the company's global training plans
- The Inter-Centre Committee will legally represent the workers for all purposes in matters of a collective nature indicated in articles 40, 41, 44.9, 47, and 51 of the Workers' Statute, provided that the measures of the company in these matters affect more than one workplace of the company, as well as in whatever concerns the provisions of article 82.3 of the Workers' Statute.

In addition, as part of the social dialogue, the following should be highlighted

- Redexis with the presence of the unions CCOO and UGT, which have constituted their respective union sections.
- Currently there are 21 Legal Representatives of Workers in all work centres with the possibility of promoting union elections.
- In 2020, union elections were held in the following work centres:
 - Ávila

- Granada
 - Linares
 - Madrid
 - Palma de Mallorca
- D. The 2nd Group Equality Plan is in force and establishes a Monitoring Committee, which is responsible for monitoring and evaluating the Plan with an annual ordinary meeting and the possibility of two extraordinary meetings.
- E. Every year the working calendar of all work centres is agreed with the legal representatives.

The consultation and participation of workers in matters of Safety and Hygiene at Work, established through collective bargaining, is articulated through the **6 Territorial Health and Safety Committees (THSC)**:

- THSC Central Area
- THSC Levante
- THSC Eastern Andalusia
- THSC Western Andalusia
- THSC North Area
- THSC Balearic Area

The Safety Committees are joint and collegiate participation bodies, intended for regular and regular consultation of the company's actions in the prevention of occupational hazards. They are made up an equal number of prevention delegates and Redexis' representatives (Territorial Directors, Delegates, etc.). Each Committee has a president and a secretary. A representative of the Prevention Service may attend the Committee's meetings in an advisory but non-voting capacity. Given its status as a joint and collegiate body of participation, all its actions must be carried out jointly, with prior agreement through a simple majority of its members and in writing, and with representation from both parties. These committees meet quarterly, although they may be summoned on an extraordinary basis.

Each Committee, as a participatory body dedicated to regularly and periodically consulting the actions of the companies that make up REDEXIS in terms of risk prevention, will have the following competences and powers regarding the activities carried out in the territories:

- a) Participate in the preparation, implementation and evaluation of risk prevention plans and programs.
- b) Discuss, before putting it into practice, the company's choice of organizational method and, where appropriate, the management carried out by specialized entities with which the company has agreed to carry out preventive activities; projects in planning, work organization and introduction of new technologies, organization and development of activities for protection, prevention, projection and organization of training in preventive matters.
- c) Promote initiatives on methods and procedures for the effective prevention of risks, proposing the improvement of conditions or the correction of existing deficiencies.
- d) Be directly informed of the situation regarding the prevention of risks in the work centres, making the visits it deems appropriate to achieve this.
- e) Know how many documents and reports related to working conditions are necessary for the fulfilment of their functions, as well as those from the activity of the prevention service, if applicable.
- f) Know and analyse the damage caused to the health or physical integrity of workers, in order to assess their causes and propose appropriate preventive measures.
- g) Know and inform the annual report and programming of prevention services.

Apart from these 6 territorial Security Committees, in 2019 the **Interterritorial Security and Health Committee (ISHC)** was created. This Committee is made up of 5 company members: the Director of Operations, Director of Network Execution, Territorial Director of the Balearic Area, Territorial Director of the North and the Director of Talent (HR) and 5 workers' representatives from the different territories and union sections. The figure of secretary falls on the director of GEMASST, with voice but without vote, and as advisor the Head of the SPP, with voice, but without vote.

The ISHC has all the competences and powers described below, when these exceed the territorial scope of each of the Territorial Security Committees:

- a) Promote the observance of the legal provisions in force to prevent occupational risks throughout the Grupo Redexis.
 - a. Participate in the preparation, implementation and evaluation of risk prevention plans and programs.
 - b. Discuss, before putting it into practice, the company's choice of organizational method and, where appropriate, the management carried out by specialized entities with which the company has agreed to carry out preventive activities; projects in planning, work organization and introduction of new technologies, organization and development of activities for protection, prevention, projection and organization of training in preventive matters.
 - c. Promote initiatives on methods and procedures for the effective prevention of risks, proposing the improvement of conditions or correction of existing deficiencies.
 - d. Be directly informed of the situation regarding the prevention of risks in the work centres, making the visits it deems appropriate to achieve this.
 - e. Know how many documents and reports related to working conditions are necessary for the fulfilment of their functions, as well as those from the activity of the prevention service, if applicable.
 - f. Know and analyse the damage caused to the health or physical integrity of workers, in order to assess their causes and propose appropriate preventive measures.
 - g. Know and inform the annual report and programming of prevention services.
 - h. Issue the reports and opinions requested by the THSCs, regarding those issues that exceed their territorial scope.
 - i. Inform the THSCs of the conclusions adopted in the ISHC when their knowledge is of general interest.
 - j. Learn about the issues that are brought to them by the THSCs.
 - k. Know and make an annual report on the evolution of the health and safety training program.
 - l. See the results of external audits on health and safety that the company has implemented, on a mandatory or voluntary basis.
 - m. Know the preventive plans and be informed on the security procedures developed for the different lines of business.

There are also **Sustainability Committees and Territorial Environment and Energy Committees** (meeting every six months).

For Redexis, transparency and constant dialogue with all members of the Company is essential, with these being key aspects for the essential management of communication.

Redexis has an internal portal (comunicacion@redexis.es) to establish shared communication between all areas and departments. This portal is also used to report all the achievements and milestones reached. The Company also has an internal complaints channel

(canaldenuncias@redexis.es) through which employees can send complaints or claims. After studying them, the Company may adopt measures to address the complaint.

Another essential communication tool is the **Intranet**, which all employees have access to and where they can check all the news about the Company, regulations, documentation, access the campus and other Human Resources channels, etc., with the Intranet being vital for establishing links between the company and the employees and a reliable source of information on corporate matters.

The channel **Compromiso Redexis** was created within the area of Corporate Social Responsibility (CSR) and they use it to communicate all the initiatives carried out actively by the department with employees, to increase the sense of belonging and well-being with the company. In February 2020, the “**Lab Day, days without school in Redexis**” was organized, with the aim of bringing the company closer to the family environment and helping with conciliation. On this day, every employee’s child, under 14 years of age, went to the Company’s facilities in Madrid and enjoyed energy workshops, age-appropriate activities, educational talks about Redexis, and were shown how a hydrogen fuelled car works. To help the emotional health of the little ones during the state of alarm and the consequent confinement of the population, **didactic workshops and experiments** were carried out, which were uploaded weekly to the Campus and were aimed at the sons and daughters of employees, enabling them to share these with other children, including explanatory texts and videos so that they could do them with materials that could be easily obtained. With the arrival of Christmas, Compromiso Redexis continued to focus on the emotional development and well-being of children, so a **Christmas drawing contest** was organized among all the employees’ children under 13 years of age, divided into different age categories, with money prizes through Amazon gift cards and the possibility of being the Redexis Christmas card of 2020.

4.5 Training

GRI 103, 205-2, 404-1, 404-2, 404-3

In order to respond effectively to the challenges that the sector imposes every day and to the transformations in the market, Redexis carries out **training programs** so that employees know how to act in each moment and in any situation.

Through **Campus Redexis**, one can access a set of courses and training actions proposed by the Company, while also sending invitations, registering participants, number of training hours, evaluation, exams, etc. In addition, the “Somos Redexis” program was developed, aimed at all new employees who arrive at the Company, which includes the main figures, history, organization, commitments, etc.

Furthermore, there is an internal *Job Posting* tool where employees can check the available vacancies and request them, thus guaranteeing internal mobility and the adaptation of each employee to a position in which their skills and requirements fit well. The Company also uses different methodologies to enhance and optimize learning in the form of tablets, online training, mobile applications, etc., highlighting the launch of an online training platform in English and office automation courses.

The Human Resources Department supports various departments, including Legal, Cybersecurity, GEMASST, CSR, etc., to develop content and improve the impact of the training actions offered to employees. It is worth highlighting the development of **Leadership Programs** to manage the talent of workers, with **Otto Walter’s “Leadership and People Management Program”** being especially important, aimed at the Management Committee, directors and deputy directors with the purpose of establishing common methodologies when managing teams.

In order to meet the objectives established by the Company, **training in different subjects** has been carried out for all Redexis employees:

- **Code of Conduct Course:** This course explains what the company's Code of Ethics is, to whom it applies, and its basic principles.
- **Course on the procedure for reporting allegedly illegal acts:** The main objective of this course is to establish the way in which acts that could be illegal or criminal, committed by someone from the organization, can be brought to the attention of Redexis' management, and the way in which management processes complaints that are forwarded to them.
- **"Somos Redexis" Course:** The main objective of this course is for employees to have the opportunity to learn more about the company, its history, and its objectives.
- **Waste Management Course:** The purpose of this course is to help employees improve their knowledge of the waste generated in Redexis' offices, how it is handled and recycled.
- **Cybersecurity Course:** The aim of this course is for employees to have the necessary training in cybersecurity to avoid unpleasant situations and to be able to react appropriately in risky situations.

These courses were made available to employees through the "Campus Redexis". In addition to the previous courses, the following on-site courses have also been carried out in different calls throughout the year:

- **Course on Personal Data Protection:** The purpose of this course is that all employees of the Company are aware of the new regulations for the personal data protection.
- **Stress Management Course:** This course was created to ensure that employees are able to identify the stressful situations they may face in their day-to-day life and manage them.

An **Energy Efficiency course** has also been made available to employees in the office, which highlights the importance that the Company places on training and awareness on both energy and environmental issues, holding regular meetings of the energy management team at the corporate level: biannual meetings of the territorial energy and environment committees, quarterly meetings of the health and safety committees and biannual meetings of the inter-territorial safety committees. All this has led to an increase in communications at the Integrated Management System, mainly focused on aspects related to the environment and energy.

HOURS OF TRAINING BY PROFESSIONAL CATEGORY	
	2020
Management team	415
Managers, experts, and technicians	4409
Operational support and sellers	595
Total	5420

TRAINING ACTIONS	Participants		Hours	
	2019	2020	2019	2020
Somos Redexis	234	15	351	23
Corporate training	456	1132	716	1092
Leadership and team management	47	4	1880	100
English	201	224	1305	2483
Technical training	31	53	1061	1629
Office	170	7	1134	66
Sales skills	18	2	126	28

Total	1157	3457	6573	5420
--------------	------	------	------	------

TRAINING IN ENVIRONMENTAL MATTERS	Total 2020 (Units)	Total 2019 (Units)	Indicator (/employee) 2019	Indicator (/employee) 2020	Variation
No. Training Actions carried out	116	58	0.16	0.32	96%
No. Training Hours Trained	614	568	1.60	1.70	6%
No. Workers Trained	459	287	0.81	1.27	57%

4.6 Equality

GRI 103, 405

Redexis is firmly committed to equal opportunities for all its employees, suppliers, and contractors, as well as the promotion of diversity and the rejection of any form of aggression, harassment, or different treatment due to sex, race, age, etc.

That is why on March 19, 2019 its **Code of Ethics and Conduct** stated these principles, which includes the commitment to business ethics and transparency, thus guaranteeing the ethical behaviour of all Redexis employees. This Code contains the values and good practices that should guide the organization and that affect all professionals in their activity. It establishes a series of applicable corporate regulations for all employees which are available on the Intranet, and that ensure the principles of equality and diversity:

- **GOB 02 Regulation:** Reporting allegedly illegal acts.
- **SIS 01:** Use of email and IT systems in situations of harassment.
- **GOB 13 Regulation:** Prevention and action protocol in situations of harassment. The purpose of this regulation is to prevent harassment in the workplace and, in the event of such a situation, define the criteria for action.

In 2020, Redexis has formalized its **Diversity and Equality Policy**, through which the Company commits to promote equality and diversity and to support a corporate culture where talent is valued, recognizing that the professionals that make up the organization may have different origins and experiences that can contribute valuable knowledge, avoiding any form of discrimination. This Policy applies to all areas of the Company, being compulsory for all professionals and being especially relevant in the personnel selection and hiring processes. Redexis is thus committed to treating all people with respect and dignity, guaranteeing inclusive, understanding, and supportive work environments where everyone can work. Likewise, the Company undertakes not to exercise or tolerate any act of discrimination, including harassment based on sex, sexual orientation, gender, marital status, employment status, race, disability, nationality, religion, beliefs, age or any other circumstance. With this, it is determined that the selection of personnel for their hiring, promotion, training, or any other benefit will be decided based on individual skills and abilities, based on their merits.

Among the measures adopted in Redexis during 2020 for the **universal integration and access of people with disabilities**, we can find:

- Direct hiring of employees with recognized disabilities, averaging 4 throughout the year.
- The signing of a contract with the company Ilunion Retail y Comercialización S.A.U., accredited as a Special Employment Centre, whose purpose is to supply office and stationery supplies and consumables, printing and graphic arts work, and corporate, institutional, advertising, and promotional gifts. Through this contract, Redexis is recognized with the certificate of exceptionality, and we comply with the alternative measures, as established in the “Real Decreto Legislativo 1/2013”, of November 29,

which approves the Consolidated Text of General Law on the rights of people with disabilities and their social inclusion.

The Company also has an **Equality Plan** which determines that, when selecting and hiring personnel, the **presence of women is encouraged** especially in areas where they are less represented and encourages the promotion and professional development of women to positions of greater responsibility within the Company. One of its principles is **to ensure equal opportunities** and to eliminate any gender bias from the Company's remuneration policies, promoting a culture based on equal treatment both internally and externally.

The Company is responsible for introducing **gender perspective** in the treatment of occupational health, promoting equal opportunities in the prevention of occupational hazards and establishing protection measures, aid, support and information for victims of gender violence.

To achieve equality, Redexis guarantees the family reconciliation of all its employees by establishing a series of measures:

- Increased flexibility of the time of entry.
- Possibility of completing the flexible working day through a weekly calculation.
- Establishment of non-working days on December 24 and 31.
- Establishment of the intensive timetable from the last week of June to the first week of September, including the working day prior to the start of Holy Week and the days prior to December 24 and 31.
- 16 hours per year for personal affairs and family needs added to annual holidays, for all employees who require them.
- Reduction of travel and work trips by developing technology that facilitates their replacement by communication and videoconferencing systems.
- Improvement in the rights to change the timetable for employees who care for dependent people, victims of gender violence or victims of terrorism.
- Granting of aid for the payment of day-care for employees' sons and daughters.

To ensure compliance with these plans and policies, as well as against illegal acts, discrimination, or harassment, Redexis has made **both internal and external reporting channels** available to all parties involved. Through these, any employee or person related to the Company can show their concerns, even anonymously.

5. Our commitment to respect human rights

GRI 103, 102-16, 102-17, 412-1, 412-2, 412-3

Through **Redexis' Code of Ethics**, where the Company's commitment with the principles of business ethics and transparency is included in all areas of action, a set of principles is established, as well as guidelines of conduct aimed at guaranteeing the ethical behaviour and responsibility of all the professionals of Grupo Redexis in their work. This code of ethics has been approved by the Board of Directors. This code aims to determine the values and good practices that should govern business behaviour as a whole, and also the behaviour of all those people directly and indirectly linked to Redexis, in the performance of their duties and in their professional relationships.

One of the fundamental pillars within the corporate culture of Redexis is transparency and integrity in its activity. Therefore, different internal regulations have been approved that develop the Code of Ethics to convey the importance of these values to its employees:

- **GOB 02 Regulation:** communication of allegedly illegal acts.
- **GOB 06 Regulation:** Institutional hospitality.

- **GOB 07 Regulation:** Relations with members of public administrations: Its objective is to describe the guidelines for Redexis personnel to follow when maintaining relationships with members of Public Administrations, whether or not they hold an elected position.
- **GOB 08 Regulation:** Collaboration agreements with public sector entities: This standard describes the process of development and formalization of collaboration agreements between Redexis and legal entities of the public sector.
- **GOB 12 Regulation:** Meetings with public bodies and administrations: This regulation describes the process of communication and monitoring of the meetings that Redexis personnel hold with public bodies or administrations in the exercise of their duties.
- **GOB 13 Regulation:** Prevention and action protocol against situations of harassment: The purpose of this protocol is to prevent harassment in the workplace and, in the event of such a situation, define the criteria for action, establishing the Group's internal mechanisms and processes to resolve the issue and prevent it from happening again, thus guaranteeing that workers can do their work in a respectful, dignified and suitable environment, which safeguards their fundamental rights to dignity, physical integrity, personal privacy and equality.
- **Regulation for the prevention of money laundering, financing of terrorism, bribery, and corruption.**
- **Regulation for the verification of compliance with tax and social security obligations,** in the framework of public offerings in order to ensure that Redexis' partner companies comply with the current legislation and applicable internal regulations.

In 2020, Redexis has developed and formalized its **Human Rights Policy**, through which it commits to respect them in every phase of its activity, making them a fundamental part of its responsibility. Through this Policy, the Company seeks to ensure the protection of Human Rights, both among its employees and among other Stakeholders. It is based on the UN Declaration of Human Rights and is committed to the different applicable regulations regarding human rights, integrated within this Policy:

- The United Nations Universal Declaration of Human Rights.
- The United Nations Global Compact.
- The United Nations International Covenant on Economic, Social and Cultural Rights.
- The International Covenant on Civil and Political Rights of the United Nations.
- The Guidelines of the Organization for Economic Cooperation and Development for Multinational Enterprises.
- The fundamental conventions of the International Labour Organization.
- The United Nations Convention on the Rights of the Child.
- The United Nations Convention on the Rights of Persons with Disabilities.
- The United Nations Convention on the Elimination of Discrimination Against Women.
- The principles of freedom of expression and privacy of the Global Network Initiative.
- The 2030 Agenda for Sustainable Development.

Redexis' commitment to Human Rights is reflected in all its operations, with the objective of generating a positive impact and sustainable growth in the areas and territories where the Company operates. This effort is communicated to all interested parties every year in the Annual Report and the Sustainability Report.

In 2018, the **Appointments and Remuneration Committee** and the **Audit and Risks Committee**, were constituted within the Board of Directors, despite the fact that there is no legal requirement in this regard, within the exercise of Redexis' commitment to transparency and

diligence. Additionally, Redexis complies with all the laws and regulations in force in Spain regarding human rights.

Redexis has been a member of the **United Nations Global Compact** since 2014, thus committing itself to support this international project through its activities and actively participates in events, webinars and initiatives promulgated by this association.

Redexis has an internal and external complaints channel to make complaints, reports or claims in relation to allegedly illegal acts. For these purposes, if necessary, disciplinary measures derived from the complaint made could be adopted, as well as transferring the issue to the public bodies that are competent for the purposes of investigating the facts if they were of special significance. Throughout 2020 no complaint has been received, either through the internal or external channels.

As a preventive measure, each time an internal regulation is approved, the entire Company is informed through internal communications, stressing the obligation to comply with it. All internal regulations are available to employees on the intranet. Additionally, for any questions or queries about these regulations, employees can contact the legal department. Additionally, through the Campus Redexis, different courses related to the applicable regulations have been made available to employees.

6. Our commitment to the fight against corruption and bribery

GRI 103, 102-16, 102-17, 205-1, 205-2, 205-3.

From the perspective of Corporate Governance, the company aims to continue advancing and carrying out all the necessary actions in terms of good governance. For these purposes, the internal regulations, and procedures necessary to implement these actions in the Group have been approved.

In this sense, Redexis has a **Code of Ethics** that materializes one of the objectives of its strategy, which is the consolidation of "Corporate Social Responsibility" ("CSR") within Redexis' corporate culture. This code of conduct includes the company's commitment to the principles of business ethics and transparency in all areas of action, establishing a set of principles and guidelines of conduct aimed at guaranteeing the ethical and responsible behaviour of all the Grupo Redexis professionals in their work. This Code determines the values and good practices that should govern business conduct and that of all the people directly or indirectly linked to Redexis. Redexis' Code of Ethics also promotes **the company's commitment to the principles of business ethics and transparency** in all its areas of business, establishing a set of principles and guidelines of conduct aimed at guaranteeing the ethical and responsible behaviour of all Redexis professionals in their work.

For these purposes, one of the fundamental pillars within Redexis' corporate culture is transparency and integrity in the development of its activity. For this reason, different internal regulations have been approved to convey the importance of these values to its employees, from which we can highlight the following:

- **Regulation for the prevention of money laundering, financing of terrorism, bribery and corruption:** the general purpose of this regulation is to develop the actions of the companies of the Grupo Redexis within the general environment of crime prevention, and in particular, prevent the potential risks of bribery and corruption in businesses carried out through third parties.
- **GOB 02 Regulation** : Reporting procedure for allegedly illegal acts: The objective of this regulation is to establish a procedure which indicates the way in which the Grupo Redexis' management can be made aware of acts that may be illegal or potentially criminal, committed by someone in the organization.

- **GOB 06 Regulation:** Institutional hospitality: The purpose of this regulation is to describe Redexis' policy regarding Institutional Hospitality, whether (i) they are received or accepted by the members of the Grupo Redexis Gas, or if (ii) they are the ones who offer, grant or promise them, whether they are intended for the private sector or the public sector. In particular, the offer or acceptance of any promise, advantage or benefit to companies, administrators, managers, employees, etc. is prohibited, except for those Institutional hospitalities that are offered or received as common courtesy or normal social relations, provided that they cannot compromise the integrity and independence of the affected persons or condition their performance.
- **GOB 07 Regulation** “Relationship with members of Public Administrations”
- **GOB 08 Regulation** “Regulation for the prevention of Money Laundering, financing of terrorism, bribery and corruption”
- **GOB 10 Regulation** “Regulation for the Prevention of Market Abuse Situations”

Among the previous regulations, it is worth highlighting the “Regulation for the prevention of Money Laundering, financing of terrorism, bribery and corruption”, created to develop the framework of action of Redexis’ companies within the general environment of crime prevention, in particular, to prevent potential risks of bribery and corruption in deals carried out through third parties. During 2020 there have been no cases of corruption reported.

On the other hand, Redexis has approved a **risk management and control policy**, in order to establish the basic principles and general framework of action for managing the risks that Redexis faces, guiding and directing the set of strategic, organizational and operational actions that allow the Board of Directors to enhance the fulfilment of the organization's objectives, within a framework of rigor and excellence oriented towards safety and service in the development of its activities.

From the “Campus Redexis”, the different courses related to internal regulations have been made available to employees, and content has been developed so that they can continue to advance in their professional development. Among the courses that employees have had access to, it is worth highlighting the course on the Code of Conduct and the course on the procedure for reporting allegedly illegal acts.

Within the company's strategy to carry out its corporate governance objectives we can find **communication and transparency**. All employees are informed of the approval of the different internal regulations and have them constantly at their disposal on the Redexis intranet. The company has an **internal and external complaints channel** through which complaints, reports or claims in relation to the code of ethics can be made.

7. Our commitment to sustainable development





GRI 103, 203-1, 204-1






In 2015 the **Paris Agreement** was signed within the framework of the United Nations through which measures were established to reduce greenhouse gas emissions, building the necessary path to combat climate change globally under a common paradigm. For the first time, 197 nations came together under a common cause to combat climate change, reduce emissions, adapt to its effects, and cooperate and focus their efforts on developing countries, thus establishing a new world scenario in the fight against climate change. With the signing of the Paris Agreement, the aim is to have a global response to the threat of climate change, establishing clear, achievable and defined objectives such as keeping the increase in world temperature in this century below 2°C with respect to pre-industrial levels, and trying that ensure this increase is lower than 1.5°C. In this same scenario, the **2030 Agenda** for Sustainable

Development was signed by the members of the United Nations, with the aim of facing the social, economic and environmental challenges that arise putting people, the planet, prosperity and peace at the centre, under the motto of "leaving no one behind". The 2030 Agenda includes 17 **Sustainable Development Goals** (SDGs) that are universal and apply equally to developed and developing countries.

Redexis, as a comprehensive energy infrastructure company, plays a fundamental role in the communities in which it operates, and their sustainable development is a fundamental objective of its strategy. Since 2014, it has been a member of the **Spanish Network of the United Nations Global Compact**, so it is committed to achieving its sustainable objectives. Thus, through its activities it consolidates this global project and contributes to the SDGs that constitute the 2030 Agenda.

Throughout 2020, Redexis has contributed to SDGs 1 and 3 on the social sphere, 8 and 9 on the economic sphere, 7, 11, 12 and 13 on the environmental sphere, and 17 on the creation of alliances.

DIMENSION	SDG	2020 ACTIONS
Social		Payment of LPG bills from vulnerable customers who requested it during the State of Alarm. Donation of 10,000 euros to the Spanish Federation of Food Banks (FESBAL, for its Spanish acronym) by the Fundación Redexis.
		Donation of technological material to the IFEMA hospital during the Covid-19 pandemic by the Fundación Redexis. Donation of 90,000 euros to the autonomous communities of Madrid, Aragón, and Castilla-La Mancha for the purchase of medical supplies and protective equipment, through the Fundación Redexis. Implementation of the psychosocial and welfare action plan for Redexis employees.
Economic		Foundation of the Fundación Redexis to help the most vulnerable groups through charitable, social, cultural, educational works, etc. Telecommuting of all employees to protect their health during the pandemic.
		Development of innovative Artificial Intelligence tools with new algorithms to improve business efficiency and optimize network deployment. Assurance of continuity of energy supply at all times and suspension of cuts due to lack of payment during the State of Alarm, providing natural gas to critical infrastructures.

Environmental		Commitment to the development of natural gas vehicle (NGV) refuelling stations, promoting its demand to promote sustainable mobility. Promotion of hydrogen and photovoltaic solar energy. Agreement with Cepsa to promote NGV and create a large network of gas stations.
		Commitment to transparency, communication, and Stakeholders through the publication of annual reports, sustainability reports and NFIS.
		Signing of agreements with manufacturers to promote sustainable mobility and promote NGV, such as those made with Seat and Fiat.
		Registration of the calculation of the Carbon Footprint in scope 1 and 2, with a commitment to reduce emissions.
Alliances		Agreements with the main actors during the pandemic to offer aid and collaboration; and with the main companies in the sector.

As proof of its performance in terms of ESG (Environmental, Social and Governance), various international indices on sustainability have given Redexis different recognitions for its actions and initiatives in this area. The Company has received a five star rating from **GRESB** for the second consecutive year, the highest possible accolade, and a result of 82 points out of 100, with scores higher than the average of the companies studied and the companies in the sector, thus showing their consistency and determination in terms of sustainability. The Company has increased the score obtained by 8 points compared to the previous year, thus placing it in the Top 20% of the Benchmark. GRESB is an international Sustainability index that evaluates and rates the work done by more than 500 funds and assets from different sectors to promote sustainable development under a global standard in environmental, social, and corporate governance matters. This ranking provides data that is standardised and validated by the capital markets, making it a worldwide reference for measuring the performance of companies in terms of sustainability.

Redexis has also obtained a “robust” rating in the sustainability and CSR rating of **Vigeo Eiris**, a leading international company in CSR assessment, with superior ratings to the its sector’s average in various sustainability indicators. These bodies certify **Redexis' commitment to the development of a socially and environmentally responsible activity**.

The European Union includes the fight against climate change among its main strategies, with goals closely aligned with those of the Paris Agreement, and has established ambitious policies with the aim of making Europe the first neutral continent by 2050. It has developed the **Green Deal** a package of ambitious measures that seek to reduce emissions, focus on innovation projects, and conserve the environment and biodiversity. The Green Deal is the European

Union's roadmap to develop a sustainable economy in the continent: without emissions, with a sustainable use of resources and without leaving anyone behind.

The moment of change in which the sector is immersed, together with the EU's decarbonisation goal of the 2030 Agenda, are leading to the proliferation of renewable energies and the promotion of more sustainable alternatives. In this sense, Redexis works firmly in the **development of new, cleaner and cheaper forms of energy**, with the aim of reducing emissions and achieving a more sustainable planet, contributing to the reduction of emissions, creating jobs and reducing emissions of both gases and particles.

In Spain, initiatives and actions are also being developed to meet these objectives. In 2020, the Council of Ministers, after the proposal of the Ministry for the Ecological Transition and the Demographic Challenge, sent the **2021-2030 Integrated National Energy and Climate Plan** (PNIEC, for its Spanish acronym) to the European Commission, thus complying with (EU) Regulation 2018/1999 of the European Parliament and of the Council of December 11, 2018 on the governance of the Energy Union and Climate Action. This Plan defines Spain's objectives for reducing greenhouse gas emissions, encouragement of renewable energies and energy efficiency, determining the lines of action to maximize opportunities and benefits for the economy as a whole, employment, health and the environment.

Energy transition is one of the greatest challenges we face, both as a society and a company, in which natural gas plays an essential role due to its low emission of gases. For certain industries that need high power and heat, gas is essential to continue to operate. Because it is an affordable form of energy, it also makes these industries more competitive by having a direct impact on their production cost.

Natural gas vehicle (NGV)

Natural gas vehicle, that is, the use of gas as fuel for vehicles, is a clean, economical and sustainable mobility alternative that is having a great proliferation thanks to the boost given by companies such as Redexis, which considers its development essential and invests great efforts in its achievement.

NGV is an energy revolution both for society and for companies, who are increasingly concerned about the environment. Redexis is promoting its development through the creation of gas stations distributed throughout Spain and signing agreements with large companies in the sector such as Cepsa, Seat and Fiat. Today, Redexis has 13 gas stations open in the regions of Murcia, Madrid, the Balearic Islands and Aragón. By 2021, the Company plans to set up 20 gas stations in Spain, including LNG and CNG deposits.

Hydrogen

Renewable gases are going to play a key role in the energy transition. The Company is firmly committed to the **development of hydrogen**, an energy vector capable of uniting the electricity and gas sectors and allowing a great penetration of renewable energies in the Spanish energy matrix, since it is capable of storing the surpluses of wind and photovoltaic production.

Redexis is an active part of several hydrogen projects such as **Power to Green Hydrogen Mallorca**, which addresses the deployment of a fully integrated and functioning renewable hydrogen ecosystem on the island of Mallorca; **Higgs**, which studies the injection of different amounts of hydrogen into the natural gas infrastructure; and the **integration of a fuel cell** in the M&R of one of its gas pipelines in Zaragoza, which is the first integration of this type to be carried out in Spain.

Photovoltaic Solar Energy

Redexis, as a promoter of renewable and sustainable forms of energy, is developing photovoltaic solar energy solutions, an efficient and environmentally friendly product for families and industries that provides control over energy production, achieving more economical consumption.

Additionally, Redexis is **committed to local development and job creation** in the territories in which it operates, developing digital solutions.

The savings, convenience, and the reduction of emissions that the use of natural gas entails compared to other conventional energies constitute an important contribution by Redexis towards the tertiary and industrial sectors, as well as towards public administrations. Thanks to its gas supply, the Company helps numerous companies and institutions to be more competitive, allowing savings on their bills of between 20% and 50%. This can also be seen in the tertiary sector, since many hotels, educational centres, residences, hospitals, hospitality establishments, sports centres and administrations, among others, enjoy much lower bills thanks to the use of natural gas, while also contributing to the reduction of emissions and enjoying greater competitiveness. Regarding the industrial sector, Redexis helps numerous industries to improve their production processes through access to gas, a fundamental aspect for economic growth, competitiveness, and job creation.

Renewable energy

After signing an agreement with Iberdrola, **Redexis has also started to use renewable energy in its more than 360 facilities** including offices, natural gas transmission positions, LNG and LPG plants and metering and regulation stations, which will have 100% renewable electricity with an estimated consumption of 1.84GWh. This contract is valid for two years and includes a Guarantee of 100% renewable origin for all electricity supplied, thus guaranteeing that the company consumes only green energy. This will help to avoid an estimated emission of 100 tons of CO₂ over the next year, equivalent to the CO₂ absorbed by a forest of more than 200 trees. These figures have been audited in accordance with the UNE-EN ISO 14064-1 Standard: 2012 on Greenhouse Gases and the Carbon Footprint has been registered with the Ministry for Ecological Transition.

Our social commitment

Redexis is strongly committed to the **economic development of the regions in which it operates** and seeks to create employment in them by hiring service providers and their auxiliary industry. The activity carried out by Redexis involves the creation of more than 3,000 direct and indirect jobs, with the consequent social contribution that this entails in all the territories where it operates.

Through the different regional directorates, a constant dialogue is maintained with the autonomous, local or island administrations, as well as the various relevant actors in said territories.

Thus, workshops are organized with suppliers to inform them of the requirements for approval, which has led to Redexis developing a Supplier Approval Policy in 2020. The Company works to boost the economy of the territories where it operates, making great efforts to guarantee security of supply, employment and the improvement of the quality of life of the inhabitants of these areas, dedicating part of its profits to social investments. To do this, it generates employment in these areas, makes local purchases and investments, always with a firm commitment to safeguarding their environment.

In 2020, Redexis has participated in the **Initiatives with Principles campaign of the Spanish Global Compact Network**, giving visibility to the sustainability actions it carries out and in the **SDG Partners Week**, publishing materials on social networks to publicize this global initiative. The Company also encouraged all its employees to participate in **“UN Day”** to celebrate the 75th

anniversary of the United Nations and the 20th anniversary of the Global Compact, emphasizing the SDGs and their publication.

Redexis maintains continuous contact and collaboration with the institutions, companies, and agents of the sector, with a fluid and constant dialogue. The Company seeks transparent **collaboration and cooperation agreements**, participating in the distribution of information and in projects and initiatives that favour the welfare and progress of the communities. It actively collaborates with different associations such as:

- **Committee for Safety and Sustainable Development of the Spanish Gas Society** (Sedigas)
- **Gasnam**: association that promotes the use of natural gas and renewable gas, especially in mobility. To do this, it has set up a **Hydrogen Working Group which Redexis coordinates**, to promote hydrogen as a fuel.
- **Spanish Hydrogen Association**: looks to promote hydrogen technologies and their uses, promoting their use in industrial and commercial applications.
- **Spanish Hydrogen Foundation**: looks to develop projects in the field of hydrogen and fuel cell technologies.
- **AEBIG**: to publicise and promote the development of biogas.
- **Aragon and Extremadura Energy Cluster**
- **Madrid Energy Foundation**
- **National Confederation of Installers and Fluid Associations** (Conaif, for its Spanish acronym): to promote natural gas infrastructures and facilitate the management of installers' activity.

Redexis has agreements with important companies in the sector to develop more sustainable forms of energy such as the alliance with **Cepsa** to develop gas stations throughout the country, the agreements with **Seat** and **Fiat** to promote the sale of vehicles powered by natural gas or the agreement with **FECE** to help attract new natural gas customers.

As a key player in the gas sector and as a promoter of other forms of energy, throughout 2020 the Company has participated in **events and forums** such as El Español's "The role of hydrogen in the energy transition", the Fifth Energy Forum of El Economista "The energy transition, key in the recovery after COVID-19", participation in the Green Gas Mobility Congress, the International Congress on Energy in Madrid or participation in the hydrogen conference at the Universidad Autónoma de Madrid, among others.

Notably, Redexis has become part of the **European Clean Hydrogen Alliance**, which aims at an ambitious deployment of hydrogen technologies by 2030 that brings together the production of renewable and low-carbon hydrogen to meet demand from industry, mobility and other sectors, and hydrogen transmission and distribution. With this alliance, the EU wants to consolidate its global leadership in this area, to support the EU's commitment to achieve climate neutrality by 2050.

Redexis Foundation

In 2019, the Fundación Redexis (Redexis Foundation) was established, registering it in the Foundation Registry on January 20, 2020, with the aim of serving as an agent in the energy transition and promoting the social work carried out by Redexis. **The Foundation's purpose is to promote technological innovation and the development of social, charitable, welfare, educational and cultural works.**

One of its main objectives is to ensure the development and well-being of the people who live in the territories in which Redexis operates, always bearing in mind the contribution to sustainable development and a clean economy. The Redexis Foundation, by promoting

technological innovation to social and assistance activities, through the educational, cultural and sports spheres, affirms its commitment to the United Nations Sustainable Development Goals.

Due to the **Covid-19 pandemic**, which led to the declaration of a state of alarm in Spain in March, the Redexis Foundation made itself available to all administrations and territories to help alleviate the effects of the crisis, making donations and direct financial aid in the most affected areas:

- **Donation of 50,000 euros to the Community of Madrid** for purchasing medical supplies and protective equipment.
- **Donation of 25,000 euros to the Autonomous Community of Aragon**, for purchasing medical supplies and protective equipment.
- **Donation of 15,000 euros to Castilla-La Mancha**, destined entirely to its Health System (SESCAM) to strengthen it in the region.
- **Donation of 10,000 euros to the Spanish Federation of Food Banks** (FESBAL, for its Spanish acronym) to guarantee food for more than 1,100,000 people during the coronavirus crisis.
- Help line for the payment of LPG bills for vulnerable customers who requested it and who were performing an essential job during the state of alarm, thus guaranteeing continuity of supply at all times.
- **Donation of 2,000 power banks to the IFEMA field hospital**, so that admitted patients could be in contact with their loved ones.

The Redexis Foundation has among its main areas of action the **development, stimulation, and promotion of culture**. For this reason, the Foundation has signed a **collaboration agreement with the Fundación del Teatro Real**. Through this collaboration, throughout 2020 the Redexis Foundation contributes to the foundational purposes of the Fundación Teatro Real, including the programming and management of musical, lyrical and choreographic activities. The Teatro Real is considered the first institution of the performing and musical arts in Spain, ranking as a national opera of reference and as one of the main Spanish cultural institutions.

Fundación Redexis was set up with the aim of being a fundamental active agent in the energy transition and, as a result of this effort, and within one of its fundamental axes, it has produced its first publication, focused on hydrogen: "**Hydrogen, key to a sustainable energy model**", where the current situation of hydrogen is introduced, as well as the related projects that are being carried out and those that will be developed in the future, the existing regulation in Spain and the postures adopted by the different countries of the world in relation to this energy vector.

The Foundation is developing a very strong informative work around hydrogen for institutions, administrations and legislative bodies, presenting this publication and the great capacities that both Spain and Redexis have to become a leading actor in terms of production, transmission and storage hydrogen. The Company already has the necessary infrastructure to transmission this energy vector, which would need zero or very little investment, and is willing to develop a large hydrogen economy to achieve the emission reduction targets of the 2030 Agenda. In a meeting held with the Grupo Parlamentario Popular, Redexis presented the situation and possibilities of hydrogen, and they agreed to present a Draft Bill in which Redexis would participate actively.

In 2020, the Redexis Foundation launched its website (www.fundacion.redexis.es), detailing the organization's fields of action, the actions carried out in social matters, informative, welfare, charitable, etc. or any other initiative developed, always bearing in mind the energy transition and the promotion of forms of energy that respect the environment.

8. Our supply chain

GRI 103, 102-9, 308-1, 414-1, 414-2

Redexis works with a large volume of purchases and suppliers, so selection processes that guarantee equal opportunities and free competition must be carried out, always looking for the best quality in the contracted services.

In 2020, a **Supplier approval, monitoring and evaluation policy** has been developed that aims to describe the approval, monitoring and evaluation process of Redexis' suppliers, contractors and collaborators, as well as defining the criteria and assigning responsibilities during this process. Its purpose is to ensure that any third party that supplies goods or services is qualified in accordance with Redexis' standards of transparency and business ethics, health and safety, and quality and environment. This Policy includes a **Code of Conduct for Suppliers** where issues related to:

- Labour rights
- Fight against bribery and corruption
- Confidentiality
- Security and Health
- Environment
- Compliance with the RG Code of Ethics.

The Company has a **Purchasing Policy** that encourages competition and the search for added value, focusing heavily on suppliers and contractors complying with health and safety, environmental and social criteria. For Redexis, working with suppliers that have the same **dedication** as the Company **in social and environmental matters** is essential to achieve its sustainable development goals. This is why Redexis carries out an evaluation and control process through which it studies and monitors the suppliers it works with. In order to responsibly manage of the supply chain, **Redexis incorporates occupational health and safety, social and environmental objectives when it comes to closing agreements with suppliers**. The Company's general contracting conditions include a section on environmental protection and, when the tender is sent, the DOC-14 internal regulation on "Environmental responsibility and Health and safety of suppliers" is always included. Likewise, the approval procedure includes a **Supplier Code of Ethics**, where there is an exclusive section dedicated to issues of labour law, the fight against corruption and bribery, health and safety, the environment, etc. For a supplier to work with Redexis, it is essential that they comply with the DOC-14 internal regulation.

The Company has a Registry base (RePro, external supplier classification system) for Spain in accordance with Law 9/2017, of November 9, on contracting procedures in the water, energy, transmission, and postal services. Redexis relies on said Registry both for the approval of suppliers and for monitoring their documentation and certifications. This reduces the risk, costs, and compliance problems in procurement. To verify compliance with the contracting bases and in order to detect actions that can be corrected, audits are carried out on suppliers with a higher purchase volume, where the non-conformities detected lead to changes that the supplier must solve within the established period. 14% of Redexis suppliers with a turnover of more than one hundred thousand euros have been audited by Achilles Repro, with 100% passing this audit.

Redexis tries to improve its purchasing management model to guarantee the maximum possible objectivity when hiring and the best quality of services. Selection processes are fundamental, and they seek to guarantee equal opportunities and free competition. The Company minimizes business, technical, environmental, and health and safety risks throughout the supply chain. In this selection process, we contemplate everything from detecting our needs to the reception of the service, establishing positive discrimination parameters such as the acquisition of energy

with a guarantee of renewable origin or the hiring of suppliers that will provide a certificate of a special employment centre.

During the coronavirus pandemic, Redexis has created support facilities for suppliers and contractors, to ensure that they could continue to do their business and activity with security and financial flexibility. For this, commutes have been paid for, material has been purchased and payments have been advanced, in order to provide liquidity.

9. Our Commitment to Users and Customers

GRI 103, GRI 416-1, GRI 418-1

Redexis is committed to transparency in communication and information to the market and strives to guarantee open and constructive communication with all parties involved, studying and creating mechanisms for dialogue and mutual understanding.

Stakeholders	Communication channels
Users and Clients	<ul style="list-style-type: none"> • Corporate website (www.redexisgas.es) • Call Centre (CAT, for its Spanish acronym) • Control Centre • Falcon GLP invoice portal • Readings website • “Yo leo gas” App
Employees	<ul style="list-style-type: none"> • Employee Portal (Intranet) • Training platform (Campus Redexis) • Internal complaint channel • Redexis Engagement Mailbox • Prevention of Occupational and Environmental Risks Mailbox • Internal platform for Energy Management, Environment and Health and Safety at work (GEMASST) with all the information and documentation regarding the internal management system • <i>Healthy</i> Mailbox • Wellness Platform • COVID-19 information Mailbox • Mailbox for equality issues
Financial Community	<ul style="list-style-type: none"> • Corporate website: Investors • Investor mailbox: investor.relations@redexis.es Personal contact with shareholders, investors, analysts, rating agencies, financial entities • Reports and notes on the Company's activity
Collaborators and Suppliers	<ul style="list-style-type: none"> • Supplier site proveedores@redexis.es • Annual conventions • RePro (Achilles)
Public Administrations and Regulatory bodies	<ul style="list-style-type: none"> • Personal contact with entities belonging to different areas of regulation (CNMC, Ministry, regional and local organizations, etc.) • Reports and notes on the Company's activity • Notifications, requirements, and responses with different regulatory bodies • Consultations/procedures with different national, regional, and local regulatory bodies • Technical Manager of the Gas System (GTS, for its Spanish acronym)
Community	<ul style="list-style-type: none"> • Corporate website (www.redexisgas.es)

	<ul style="list-style-type: none"> • Corporate communication mailbox comunicacion@redexis.es • Press releases • Informative meetings (interviews) • Institutional meetings • Corporate and institutional events • Presence in business, sector, educational, cultural organizations • Participation in conferences, forums, and seminars • Sponsorships in the municipalities where we operate
--	--

The **model of customer and user service** is structured mainly in 3 ways:

- Customer Service
- Emergency Service Centre (CAT, for its Spanish acronym)
- Website

In order to guarantee the safety of all the people involved in the supply chain, Redexis has several communication centres. All personnel, both internal and those from collaborating companies, must have the appropriate and necessary training and knowledge to guarantee their safety at the Company's facilities.

Guaranteeing the safety of consumers and the society in general is essential for Redexis, which has **modern infrastructures**, which allows it to offer magnificent safety ratios. The transmission gas pipelines are built with steel pipes and all of them are equipped with a highly resistant polyethylene outer coating that protects them against corrosion and extends their lifetime. Redexis applies a series of preventive, predictive and continuous improvement actions to its infrastructures, as indicated in the asset integrity management plans. Additionally, the Company has a cathodic protection remote management system to control and modulate said protection.

The **Redexis control centre**, located in Zaragoza, has up-to-date information on the training of all the people who access the facilities, which allows it to carry out permanent surveillance of these accesses. The Company makes available to all users connected to its distribution networks an Emergency Telephone Service Centre (CAT), with 24x7 services in permanent contact with the Control Centre, which receives and performs a first classification of consumer emergencies at their receiving facilities. The CAT also receives messages from other emergency agencies (police, firefighters, 112, etc.), immediately informing the Control Centre that manages the resolution of any incident and the security of the facilities.

Redexis has, among others, an **internal standard for dealing with distribution notices**. The Warning Service is a permanent service created to respond to telephone calls related to incidents in the gas supply or gas facilities (whether owned by the Distributor company or the user), their management, coordination and resolution within the competences of a gas distribution company. On a monthly basis, the internal and external notices received in our call centre are collected, distinguishing those in which, our contractor has detected a leak or not on their visit.

The SCADA system of the Control Centre, through different sensors, control units and communication equipment installed in the field, collects the values and status of the different parameters that define the operation of the main facilities of the Company in real time, safeguarding the health and safety of consumers. Contact information of both the Telephone Call Centre and the Control Centre are available to all Redexis personnel, both internal and external, who can detect any anomaly in the facilities.

The response to any incident is included in internal action procedures and protocols. Drills are regularly carried out with all the Company's resources designated for this type of actions to ensure a better response in the event of a real emergency.

As for the **complaints from users and customers**, they are managed from 3 areas:

- Natural gas distribution
- Marketing and distribution of LPG
- Value added services and boiler rental

Redexis proceeds to **process the claims** that are received through the external complaints channel. The claims received through this channel are related to the provision of gas services performed by Redexis. In general terms, the communications that arrive at this address correspond to users who wish to modify the visiting hours of the regular inspection of their gas installation, supply cuts; billing, readings, etc. Given that the channel for resolution provided for these issues is not this channel, once received they are transferred to the Head of Business Cycle, who analyses the complaint, report or claim and, in turn, transfers it:

- To the Customer Service (CAT), when the communications refer to questions regarding doubts or claims regarding billing and readings.
- To the Utilization Department, when communications refer to facility inspections.
- To the Systems Department, for those communications related to incidents with the website.

Once the complaint, report or claim has been resolved, these units report this to the Business Cycle Manager.

On a weekly basis, the volume of pending claims is sent to the areas for their management, classified by areas and management levels. A report designed by the CNMC itself is sent to the CNMC every quarter, to check the volume of claims, their type and the resolution period. For example, in ATR (Third Party Network Access), which represents approximately 88% of customers, the complaints system is created in a unified way for all marketers and distributors. In other words, the classes and sub-classes have been created by the CNMC and Redexis adheres to them. The main entry method (more than 95%) is the SCTD (Transmission-Distribution Communication System) sector communication tool and all messages and the response circuit are designed at the sector level. These quarterly reports are used by the regulator to control the evolution of claims in the natural gas sector, generating its own reports and tables differentiating by distributors, marketers, majority rates, etc.

It is a continuous objective of the Business Cycle management to monitor and maintain the level of claims, to keep them at very low percentages. During 2020, a total of 71,120 complaints or claims were received, with 98.21% being resolved during the year.

Redexis has a Telephone Attention Centre (CAT) with 24/7 attention that receives and performs an initial classification of consumer emergencies in its reception facilities. The CAT also receives reports from other emergency agencies such as the police, firefighters, etc., and immediately informs the Control Centre.

10. Our commitment to transparency: Tax information

GRI 201-1, 201-4

The taxes paid by the entities constitute one of their contributions to the economic and social development and the maintenance of the public obligation in the country in which they operate.

In this context, compliance with current tax legislation always forms part of the principles that inspire the company's corporate responsibility.

The tax burden is one of the main costs that the Group must face, as well as an area in which the diversity of possible interpretations of the applicable regulations is likely to generate uncertainties.

Therefore, considering both the public and business interests, Redexis has developed a **Fiscal Policy** that consists of complying with the following principles in the fulfilment of its fiscal obligations and in its relationship with tax authorities:

- Compliance with current tax legislation: pay the taxes required by applicable law, adopting a reasonable interpretation of them at all times and trying to avoid, derived from said interpretation, inefficiencies and undue tax costs for Redexis.
- Waiver of the following actions: operations or structures that only pursue a tax advantage, structuring of operations of an artificial nature or not related to the Company's own activity or the use of non-transparent structures in order to reduce its tax or burden, and making investments in, or through, territories classified as tax havens.
- Transparency with third parties (shareholders, clients, suppliers, employees, regulatory bodies, etc.) on the tax principles described here, the bodies involved in Redexis' tax management.
- Full collaboration with the Tax Administration in their verification activities related to both Redexis and third parties, maintaining relationships based on good faith, cooperation, professionalism and reciprocity, without prejudice to legitimate controversies that, may arise in defence of the interests of the Company and its Group.

To ensure compliance with the Company's Fiscal Policy, the Board of Directors and its Audit and Risk Committee are assisted by the Chief Financial Officer, who implements this Policy through the appropriate tax operational procedures and processes.

The Financial Director is assisted by the Fiscal Officer, who advises and instructs the different departments regularly on fiscal matters, including tax returns and reports, ensuring full compliance with the Fiscal Policy and the applicable tax operating procedures and processes.

Redexis regularly prepares and publishes the management report, together with the Annual Report and the Annual Accounts, which presents a detailed list of the operations the company has carried out during the financial year and the company's future plans, as well what has been done with regard to research and development. This report is available to all interested parties on the Company's website along with the rest of Redexis' corporate documents.

Additionally, the Company and its Group will adopt the necessary mechanisms to guarantee control and ensure compliance with tax regulations and the above principles, ensuring that they have sufficient and suitably qualified external or internal material and human resources. In this sense, the Company always relies on external advice from recognized firms in the field, whenever it deems it appropriate.

Redexis' total tax contribution amounted to 36.3 M€ in 2020. The following table shows the breakdown of the operating earnings and those of the fiscal year, as well as the total income, accounting results before and after taxes, the amount of subsidies, limited to Spain, since it is the only country where Redexis operates:

	2020	2019
Operating earnings	72.833,40	83,944.80
Spain	72.833,40	83,944.80
Earnings fiscal year	-6.814,45	37,551.96
Spain	-6.814,45	37,551.96
Total revenue	241.747,97	245,460.25
Spain	241.747,97	245,460.25
Accounting earnings before tax	29.516,17	49,812.09
Spain	29.516,17	49,812.09
Accrued corporation tax	-36.330,62	12,260.12
Spain	-36.330,62	12,260.12
Corporation tax paid	-4.311,89	5,346.07
Spain	-4.311,89	5,346.07
Subsidies received		
Pre-financing of HIGGS project	199.865,00	
Vortex project	85.532,46	
35% AutoERM project: CDTI *doc*	45.823,73	
	331.221,19	0

Annex I: Index of contents of the Non-Financial Information Statement required by Law 11/2018

Contents index of Law 11/2018	Content of Redexis' NFIS	Reference reporting framework	Page
Description of the business model			
Business environment	1. Our Business Model Business environment, organization and structure, and markets in which it operates.	GRI 102-1 to GRI 102-4	Pages 2-3
Organization and structure		GRI 102-5 GRI 102-7	
Markets in which it operates		GRI 102-6	
Objectives and Strategies	1. Our Business Model Objectives and Strategies	GRI 102-14 GRI 102-15	Page 4
Main factors and trends that may affect its future evaluation	1. Our Business Model Main factors and market trends	GRI 102-15	Page 5-8
Main risks related to the issues related to the group's activities			
Its business relationships, products or services that may have negative effects in these areas, and how the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with the national, European or international reference frameworks used for each subject.	2. Risk management	GRI 102-29 GRI 103	Page 8-12
Information on the impacts that have been detected, offering a breakdown of them, in particular on the main risks in the short, medium, and long term			
Key non-financial performance indicators that are relevant to the specific business activity, and that meet the criteria of comparability, materiality, relevance, and reliability. The key non-financial performance indicators should be applied to each of the sections of the non-financial information statement	Use as a reference of the different GRI standards in each of the relevant topics to compare the results		
Information on environmental issues			
Policies			
Policies applied by the group, which include the due diligence procedures applied for the identification, evaluation, prevention and mitigation of risks and significant impacts, and verification and control, as well as the measures that have been adopted.		GRI 103	Pages 12-16
General			

Detailed information on the current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety, environmental evaluation or certification procedures, resources dedicated to the prevention of environmental risks, the application of the main precautionary measures, the amount of provisions and guarantees for environmental risks	3. Our commitment to the environment	GRI 103-1	Pages 12-16
Pollution			
Measures to prevent, reduce or repair carbon emissions that seriously affect the environment, considering any form of air pollution specific to an activity. Including noise and light pollution	3. Our commitment to the environment 3.1 Pollution	GRI 305-1 GRI 305-2 GRI 305-4 GRI 305-5 GRI 305-7	Page 16
Circular economy and waste prevention and management			
Measures of prevention, recycling, reusing, other forms of recovery and waste disposal. Actions to combat food waste	3. Our commitment to the environment 3.2 Circular economy and waste prevention and management	GRI 306-2	Page 16-17
Sustainable use of resources			
Water consumption and water supply according to local restrictions	3. Our commitment to the environment 3.3 Sustainable use of resources	GRI 302-1 GRI 302-2 GRI 302-3 GRI 302-4 GRI 302-5	Page 17-18
Consumption of raw materials and the measures taken to use them more efficiently			
Direct and indirect energy consumption, measures taken to improve energy efficiency and the use of renewable energies			
Climate change			
The important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	3. Our commitment to the environment 3.4 Climate change	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-5	Page 18-22
Measures taken to adapt to the consequences of climate change			
The reduction goals established voluntarily in the medium and long term to reduce greenhouse gas emissions and the means implemented for this purpose			
Protection of biodiversity			
Measures taken to preserve or restore biodiversity	3. Our commitment to the environment 3.5 Protection of biodiversity	GRI 304-1 GRI 304-2 GRI 304-3 GRI 304-4	Page 22
Impacts caused by activities or operations in protected areas			
Information on social and personnel matters			
Policies			
Policies applied by the group, which include the due diligence procedures applied for the identification, evaluation, prevention and mitigation of risks and		GRI 103	Pages 22

significant impacts, and verification and control, as well as the measures that have been adopted.			
Employment			
Total number and distribution of employees by sex, age, country, and professional classification	4. Our commitment to employees 4.1 Employment	GRI 103 GRI 102-8 GRI 405-1 GRI 405-2	Page 22-26
Total number and distribution of types of employment contract, annual average of permanent contracts, temporary contracts and part-time contracts by sex, age and professional classification, number of dismissals by sex, age, and professional classification			
Average salaries and their evolution separated by sex, age and professional classification or equal value			
Salary gap, remuneration for equal or average jobs in the company, the average remuneration of directors and executives including variable remuneration, allowances, compensations, payment to long-term savings pension systems and any other perception separated by sex, implementation of employment disconnection policies, employees with disabilities			
Work organisation			
Organization of working time	4. Our commitment to employees 4.2 Work organisation	GRI 103 GRI 403-2	Page 26-27
Number of hours of absenteeism			
Measures aimed at facilitating the enjoyment of the conciliation and promoting the joint responsibility of both parents			
Health and Safety			
Health and Safety conditions at work	4. Our commitment to employees 4.3 Health and Safety	GRI 103 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-9 GRI 403-10	Page 27-34
Occupational accidents, in particular their frequency and severity, as well as occupational diseases, broken down by gender			
Social relationships			
Organization of social dialogue, including procedures for informing and consulting and negotiating with staff	4. Our commitment to employees 4.4 Social relationships	GRI 103 GRI 402-1 GRI 102-41 GRI 403-1 GRI 403-4	Page 34-37
Percentage of employees covered by collective agreement per region			
The balance of collective agreements, particularly in the field of health and safety at work			
Training			
Policies implemented in terms of training	4. Our commitment to employees 4.5 Training	GRI 103 GRI 205-2 GRI 404-1 GRI 404-2 GRI 404-3	Page 37-38
The total number of training hours by professional category			
Universal access for people with disabilities			

Equality			
Measures taken to promote equal treatment and opportunities between men and women	4. Our commitment to employees 4.6 Equality	GRI 103 GRI 405	Page 39-40
Equality Plans (Chapter III of Organic Law 3/2007, of March 22, for the effective equality of women and men)			
Measures adopted to promote employment, protocols against sexual and gender-based harassment, integration, and universal accessibility of people with disabilities			
The policy against all types of discrimination and, where appropriate, diversity management			
Information on respect for human rights			
Policies			
Policies applied by the group, which include the due diligence procedures applied for the identification, evaluation, prevention and mitigation of risks and significant impacts, and verification and control, as well as the measures that have been adopted.		GRI 103	Pages 40
General			
Application of procedures regarding human rights	5. Our commitment to respecting human rights	GRI 103 GRI 102-16 GRI 102-17 GRI 412-1 GRI 412-2 GRI 412-3	Page 40-42
Prevention of the risks of human rights violations and, where appropriate, measures to mitigate, manage and repair possible abuses committed			
Complaints for cases of human rights violations			
Promotion and compliance with the provisions of the fundamental conventions of the International Labour Organization related to respecting the freedom of association and the right to collective bargaining			
Elimination of discrimination in employment and occupation			
The elimination of forced or compulsory labour			
The effective abolition of child labour			
Information regarding the fight against corruption and bribery			
Policies			
Policies applied by the group, which include the due diligence procedures applied for the identification, evaluation, prevention and mitigation of risks and significant impacts, and verification and control, as well as the measures that have been adopted.		GRI 103	Pages 42
General			

Measures taken to prevent corruption and bribery Measures to combat money laundering Contributions to foundations and non-profit entities	6. Our commitment to the fight against corruption and bribery	GRI 103 GRI 102-16 GRI 102-17 GRI 205-1 GRI 205-2 GRI 205-3	Page 42-43
Information about the company			
Policies			
Policies applied by the group, which include the due diligence procedures applied for the identification, evaluation, prevention and mitigation of risks and significant impacts, and verification and control, as well as the measures that have been adopted.		GRI 103	Pages 43
General			
The company's commitment to sustainable development			
The impact of the company's activity on employment and local development	7. Our commitment to sustainable development	GRI 103 GRI 203-1 GRI 204-1 GRI 413-1 GRI 413-2	Page 43-49
The impact of the company's activity on local populations and on the territory			
The relationships maintained with the actors of the local communities and the types of dialogue with them			
Association or sponsorship actions			
Subcontracting and suppliers			
Inclusion of social, gender equality and environmental issues in purchasing policy	8. Our supply chain	GRI 103 GRI 102-9 GRI 308-1 GRI 414-1 GRI 414-2	Page 49-50
Consideration of the social and environmental responsibility of suppliers and subcontractors			
Supervision and audit systems and their results			
Consumers			
Measures for the health and safety of consumers	9. Our Commitment to Users and Clients	GRI 103 GRI 416-1 GRI 418-1	Page 51-53
Claim systems, complaints received and their resolution			
Tax information			
The benefits obtained country by country	10. Our commitment to transparency	GRI 201-1 GRI 201-4	Page 53-55
Taxes on profits paid and public subsidies received			