



Redexis



You will like the future

Sustainability
Report

2019

Welcome to the Sustainability Report 2019

You will like the future



“Redexis continues to strengthen and advance all its ESG (*Environmental, Social and Governance*) activities”



Redexis (“the Company” or “Redexis”) publishes its Sustainability Report for the second consecutive year, making the most relevant information from the 2019 financial year available to its stakeholders and other interested parties.

Using the content of the 2018 Sustainability Report as a starting point and in line with its transparency policy, Redexis continues to strengthen and advance its ESG (Environmental, Social and Governance) activities. This Report discusses and reviews the Company’s activity and results and brings forth a cross-sectional vision of sustainability to its business model and strategic approach.

The aim of the information presented is to communicate how Redexis creates value in a manner that is precise, detailed, consistent with the environment and the activities that it undertakes, understandable and accessible to all its stakeholders.

In addition, this Report demonstrates its commitment to the Ten Principles of the Global Compact and the United Nations Sustainable Development Goals, and represents the Company’s Progress Report in the implementation of these Principles.

Readers can access this Sustainability Report, the Annual Report and other relevant information through the Redexis website at www.redexisgas.es

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Letter from the Executive Chairman

For the second consecutive year, Redexis presents its Sustainability Report, a reflection of our firm commitment to sustainability and transparency in non-financial matters.

At the time of publication, we are faced with an extremely serious health crisis caused by COVID-19. My first words are addressed to the families of those who have died or have been affected by this global pandemic. Since the beginning of this crisis, Redexis has made itself available to society as a whole, by maintaining all our essential activities that allow us to carry gas to thousands of homes, industries and operations.

In 2019 we launched the Redexis Foundation with the aim of promoting the development and welfare of social groups in the areas where Redexis is present, with special consideration given to promoting infrastructure that contributes to sustainable development and a cleaner economy. Faced with this pandemic, we wanted to collaborate through the Foundation immediately, making selective donations of various materials to health institutions to help reduce the negative effects of this situation, and providing help lines for the most vulnerable consumers.

At all times, Redexis has ensured the safe and efficient operation of its gas transmission and distribution activities in all sectors. The effort has also included support for critical medical infrastructure, such as hospitals and medicalised hotels. Finally, Redexis has also launched a support programme to provide liquidity to small-scale business-critical suppliers. In addition, the Company has established off-site remote working in its offices for 100% of its staff in its 17 workplaces.

Moreover, as an infrastructure company, we see the challenges related to the role that energy will play in economic recovery and tackling climate change, an essential focus of sustainable development. At Redexis we maintain a modern natural gas transmission and distribution network, which allows us to effectively integrate the process of transformation towards a low-carbon economy. Natural gas is still the cleanest and most

efficient traditional energy source, and, together with a supply chain that prioritises digitisation, innovation and automation, we continue to occupy a leading position in supply quality in Spain.

In 2019 the Company announced the conversion of its €300 million syndicated revolving credit facility into sustainable financing, reinforcing its commitment to the environment, social responsibility and good governance.

We have made up to €60 million available over the next five years for projects directly linked to the gas energy transition, including renewable gas, hydrogen and other initiatives. In keeping with this, all sectors must contribute to this transition process according to their technological and economic potential. To this end, hydrogen is an energy vector produced from renewable sources, so it does not emit carbon dioxide and is also the best solution for achieving an emissions-free future.

Within the framework of our environmental and social responsibility, at Redexis we have driven forward the area of CSR, incorporating the SDGs as a fundamental part of our corporate governance, strategy and operations model.

Our activities follow the guidelines of the UN Global Compact and the 2030 Agenda, through which we commit to contributing to the Sustainable Development Goals. At Redexis we are directing our activities to respond to these challenges that are so relevant to society and to all our stakeholders. In this second Sustainability Report we present how we responded to these objectives in 2019 and how we will continue to contribute to them in 2020.

Throughout 2019, Redexis has carried out more than twenty sponsorship and collaboration actions with different organisations and institutions, creating value in the areas where it operates. In the cultural field, it has continued as a sponsor of the Teatro Real, collaborating in broadcasting the Opera in the street in more than 150 cultural centres, squares and theatres in Spain. Among other actions, Redexis continues its sporting initiative focussed on children's football.

We work to a responsible business model in accordance with energy changes, explaining our contribution toward a feasible, sound and sustainable energy transition in this Report.

Lastly, I must give my sincere thanks to all Redexis employees, whose work makes it possible to come out of this global crisis stronger. Thank you.

Fernando Bergasa
EXECUTIVE CHAIRMAN

Letter from the Chief Operating Officer

This second Sustainability Report, for the 2019 financial year, reflects our commitment to transparency and demonstrates our progress in non-financial matters to all our stakeholders.

Firstly, I would like to express my condolences to all families of the victims of the COVID-19 pandemic and thank all health staff and essential workers. Thanks to their work and effort, Spain will succeed in moving forward. As a natural gas transmission and distribution company, an essential activity for the functioning of society, we guarantee our supply and continue to carry out our activities during the health crisis, making ourselves available to public institutions and providing financial donations and aid through the Redexis Foundation.

During 2019 we have continued to work on Corporate Social Responsibility (CSR) and sustainability as a core element of our corporate strategy, incorporated in all business areas. This sustainable business strategy has been recognised by the 2019 GRESB Ranking, awarding Redexis a maximum score of 5 stars and crediting us as the leader in the infrastructure sector.

Throughout 2019, we have invested €151 million, 9.1% more than the previous year, in the deployment of distribution networks, which has allowed us to increase the number of municipalities served, the number of connection points and the quantity of energy distributed. This has helped meet the needs of society and the communities in which we are present, connecting new homes, businesses and industries.

As key players in the energy transition and sustainable development within the energy sector, we are working to promote new solutions and alternatives through sustainable mobility and hydrogen-based projects. Among these measures, we highlight the trade agreements that we have signed with important companies in the sector, including the agreement with Cepsa through which we aim to create the largest refuelling station network in Spain.

We have registered our carbon footprint within scope 1 and 2, incorporated ISO 14001:2015 and ISO 50001:2011, and established energy saving measures, which has enabled us to more effectively manage and reduce our resources, thus contributing to the circular economy goal proposed in the United Nations' 2030 Agenda.

As promoters of renewable gases, we are strongly committed to developing hydrogen as an energy vector, contributing to a greater penetration of renewable energies. We have made significant investments to promote the use

of hydrogen and encourage its injection into the available natural gas networks, and we have carried out several projects in this regard such as *HIGGS* and *Power to Green Hydrogen*.

At Redexis, we are promoting key concepts such as innovation and digitisation and, being pioneers in the use of artificial intelligence in networks, we are carrying out other projects to develop renewable energies such as photovoltaic, to design and develop fuel cells and to use advanced technologies for infrastructure maintenance.

Our commitment to our employees has led us to increase training hours this year and provide them with new tools and communication channels, and our commitment to society has led us to create the Redexis Foundation to help the most disadvantaged groups, carry out sponsorships and serve as an agent of the energy transition.

At Redexis, we wanted to work together to overcome the exceptional circumstances arising from the coronavirus pandemic. Faced with a situation that has had a serious impact on all citizens, we have shown solidarity from the very outset to help alleviate the situation that some of the most vulnerable groups are going through. Here we join in showing encouragement and support to all healthcare staff and other essential workers who have allowed the country to continue functioning, in particular our Control Centre technicians and workers who have guaranteed natural gas supplies at all times. At present, the Redexis Foundation continues to work in the technological, educational, environmental, cultural and sporting fields.

All in all, I want to thank all the people in Redexis for their performance and dedication to making it possible to meet our goals and challenges and continue moving forwards in the future.



Cristina Ávila
CHIEF OPERATING
OFFICER

Milestones 2019



January

- Antonio España, new Chief Financial Officer (CFO)
- We drive natural gas development in en Lebrija
- Natural gas distribution network in Ibiza reaching an length of 38 kilometres in channelling



April

- Collaboration agreement with FEBT (Balearic Transport Business Federation - Federación Empresarial Balear del Transporte) to promote natural gas vehicles in the Balearic Islands
- Presentation to the Regional Government of Murcia of the investment plans for energy progress
- Participation in the 1st Energy Transition Forum (I Foro de la Transición Energética) in Majorca
- Participation in the Annual Assembly of the Balearic Transport Business Federation (Federación Empresarial Balear del Transporte)
- Collaboration agreement signed with the City Hall of Muro for the supply of natural gas for local facilities
- Participation in the 7th Gasnam Convention

February

- Presentation to the Government of Aragon of several investment and employment initiatives, aimed at energy progress in the region
- Execution of a convention for a plan to Renew Boiler Rooms in Comunidad de Madrid
- Presentation in Cartagena and Chiclana of a photovoltaic solar energy projects for citizens

May

- Redexis enters the project 'Power to Green Hydrogen Mallorca'
- Collaboration with Coar to promote natural gas vehicles
- Participation in the 2nd Congress on Close-to-zero energy consumption buildings: from rehabilitating buildings to new constructions (II Congreso de Edificios de Consumo de energía casi nulo: de la rehabilitación a la obra nueva) in Majorca
- Sponsorship of the 2nd La Verdad companies race (II Carrera de Empresas La Verdad), gathering more than 900 runners

June

- Redexis and Cepsa will create the largest natural gas refuelling station network in Spain
- First direct connection of a distribution network with a primary gas pipeline

March

- Investment of €2 million to facilitate natural gas to citizens and companies in Villanueva de los Infantes
- Collaboration agreement with the Spanish Hydrogen Association (Asociación Española del Hidrógeno)
- Technical Seminar at Genera 2019 "The role of hydrogen in energy transition"
- Participating in the breakfast session "Hydrogen, an essential renewable reality in a world moving towards decarbonisation ("Hidrógeno, una realidad renovable clave en un mundo que avanza hacia la descarbonización") held by the journal Heraldo de Aragón
- Announcement of an Investment of more than €3 million to facilitate natural gas to citizens and companies in Cuevas del Almanzora
- Inauguration in Muro of a new plant that will supply natural gas to 7,000 inhabitants in the city centre



- Collaboration in the broadcasting of the opera Il Trovatore at the Royal Theatre in municipalities throughout Spain

July

- Start of proceedings to incorporate Fundación Redexis
- Commitment to sustainability and the reduction of plastic
- Annual Employees Meeting 2019 and award of Technical, Commercial Special Prizes
- Andrés Oliva, appointed new Residential Trade Director at Redexis
- The Machine Learning team wins the 2nd prize in the Datathon AWS 2019
- Redexis, national sponsor of the broadcast of the opera Lucia di Lammermoor from the Royal Theatre.

Fundación Redexis



October

- Coordination of the new group work on Hydrogen Gasnam technological solution (Internet of Things) for the remote supply of gas
- Participation in the 7th edition of the Challenge Interempresas (Intercompany challenge) 2019 held by Acción Contra el Hambre (Action against hunger)
- Development with Orange of a comprehensive
- Participation in the VI Day of Control Centres (VI Jornada de Centros de Control)
- Investment of €2.5 million to facilitate natural gas to citizens and companies in Huércal in Almería

December

- Redexis and Seat join to promote natural gas mobility
- Participation in the Gas installations safety campaign in Comunidad de Madrid
- Participation on the Climate Law and Governance Day at UAM Participación en el Día del Derecho Climático y Gobernanza 2019 de la UAM with regards to the COP25
- Redexis intervenes in the round table "Renewable gas, vector of transformation and future" held during the COP25 and organised by Sedigás
- Participation in the round table "Gas, biomethane and hydrogen solutions for sustainable mobility", organised by Gasnam with the COP25
- Investment of €2.5 million to facilitate natural gas to citizens and companies in La Puebla de Montalbán
- Redexis will Invest of €2.5 million to facilitate natural gas to citizens and companies in Jódar



September

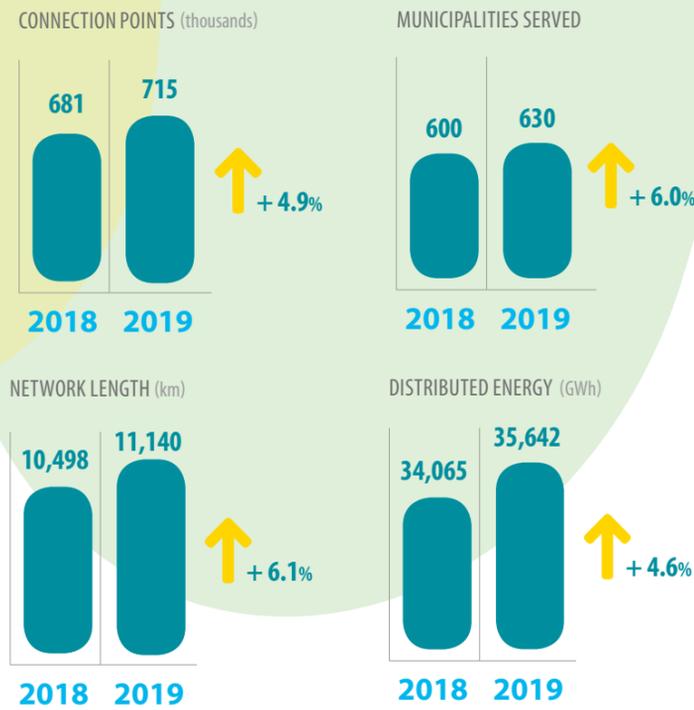
- Participation in the 6th Annual Energy Forum by El Economista
- Flu vaccination campaign 2019
- Redexis supplies natural gas to 19 state schools in Palma
- GRESB places Redexis as leader in Infrastructures Sustainability Indicators, awarding it five stars
- Presentation to the General Shareholders' Meeting the investment plans for energy progress
- Redexis enters the Board of MIBGAS, the main entity in the exchange of natural gas in Spain
- New Health and Safety, Environmental and Energy policies
- Adhesion to the campaign #alliesofSDG, promoted by the Spanish Global Compact Network

November

- Announcement of an Investment of €3.5 million to facilitate natural gas to citizens and companies in Vejer de la Frontera
- Participation in the day "Future and feasibility of vehicles propelled by natural gas ("Futuro y viabilidad de los vehículos impulsados por gas natural")
- Participating in the Smart Mobility Cycle held by El Español: 2nd Vehicle Gas Forum (Foro Gas Vehicular)
- Inauguration of the first vehicular natural gas replenishment station in Zaragoza
- Setting up the Interterritorial Health and Safety Committee (Comité Interterritorial de Seguridad y Salud, or CISS)
- Redexis Commitment ("Compromiso Redexis"), a new communication channel
- Adhesion to the "Kilo Operation" ("Operación Kilo") for the Food Bank
- Agreement with Servialsa for the construction of the first natural gas replenishment station in Mallorca

Key figures

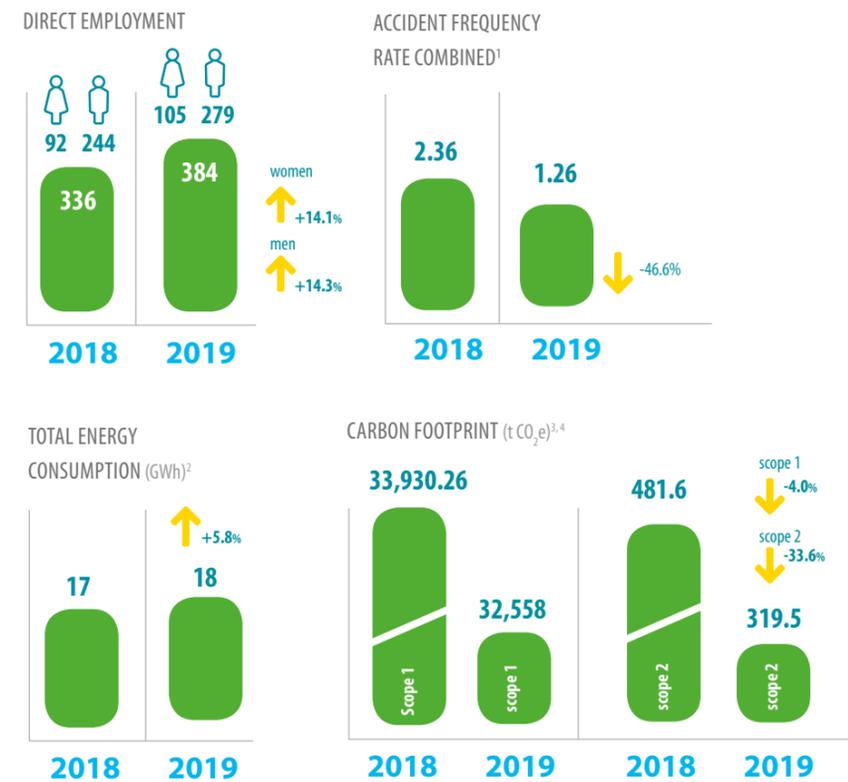
Operational indicators



Financial indicators



Non-financial indicators



¹ Number of hazards occurred per million of hours worked, by company personnel and contracted staff.
² Total consumption includes offices, LNG plants, transport positions and vehicle fleet.
³ Carbon footprint includes offices, LNG plants, transport positions, vehicle fleet and diffuse emissions.
⁴ Applied, in scope 1 of the 2018 carbon footprint, a new per-event sectoral methodology in the calculation of methane emissions of the distribution facilities.

Our business model

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About us

Redexis is a company engaged in the development and operation of natural gas transmission and distribution networks, the distribution and commercialization of liquefied petroleum gas and the promotion of renewable applications of natural gas and hydrogen.

It develops and operates infrastructures to bring natural gas to homes, businesses and industries, in excellent conditions of safety and quality. Furthermore, Redexis

is firmly committed to promoting sustainable mobility, promoting natural gas for vehicles through new investments, infrastructures and agreements with other energy companies and vehicle manufacturers.

The Company maintains a solid and continued expansion plan, with nearly €1,300 million invested since 2010, and works with the objective of creating constant socioeconomic value in the communities in which it is present.

“Redexis works with the objective of creating constant socioeconomic value in the communities in which it is present”

Mission, vision and values

"Redexis is an environmentally friendly company, that excels in the service provided and committed to economic development"

Our **MISSION** is to become an integral energy infrastructure company, maximising growth and efficiency, and contributing decisively to sustainable development and the creation of value for its stakeholders.

VALUES
advance, inspire,
care, live, overcome

Our **VISION** is to be a reference energy infrastructures company, firmly committed to its customers, employees and shareholders, and admired for its capacity for achievement and the creation of value.

Current situation

REDEXIS IN SPAIN SUMMARY OF OPERATIONAL AND ECONOMIC ACTIVITY IN 2019



Investment **9.2%** superior compared to the previous year in the expansion of distribution networks and in **hydrogen, renewable gas** and **vehicular gas projects**.



Building of **642** new kilometers of networks, reaching a total of **11,140** kilometers of gas infrastructure in Spain.



Generates **3,000** job positions direct and indirect.



Presence in **14** autonomous communities:
and **40** provinces

714,681 connection points



Extension of **€300 million** revolving bank credit linked to ESG indicators, extending maturity and reducing interest rates.



Promotion of the use of **Natural Gas Vehicle (NGV)** as an economic and sustainable alternative, through agreements with **CEPSA, SEAT** and **FIAT**.



Promote the **deployment of sustainable energy** such as **hydrogen** or **renewable gas**, with planned investments of more than €60 million that will go to new related projects in the 2019-2025 horizon.

“Continuously growing, innovative and sustainable business”

Corporate governance

The correct implementation of the principles of good governance in companies facilitates credibility, stability and contributes to promoting growth and the generation of wealth.

For this reason, corporate governance is a key element for Redexis, since it strengthens and fosters the trust of stakeholders through the implementation of standards and good practices that promote transparency.

Redexis, although not legally obliged to do so, maintains a firm commitment to strengthen the area of corporate governance through a set of rules, principles and procedures that regulate the structure and operation of the company's governing bodies.



SOCIAL CAPITAL

As of December 31, 2019, the share capital is fully subscribed and paid up, belonging to the shareholders in the terms indicated below:

Chase Gas Investments Limited:
33.3%

Guotong Romeo Holdings Limited:
33.3%

ATP Infraestructura II APS:
33.3%

Organisational structure



99.98%
Redexis Gas Murcia, S.A.



100%
Redexis Gas Servicios, SLU



100%
Redexis GLP, S.L.U.



100%
Redexis Infraestructuras, S.L.U.

BOARD OF DIRECTORS STRUCTURE

NAME	APPOINTMENT DATE OR LAST RE-ELECTION	CATEGORY	POSITION
Mr Fernando Bergasa Cáceres	May 19, 2016	Executive	Chairman of administration
Ms Cristina Ávila García	April 11, 2019	Executive	Director and CEO
Mr Niels K. Jensen	May 23, 2019	Shareholder (nominated by ATP)	Non-Executive Director
Mr Ng Chik Sum Jackson	June 20, 2018	Shareholder (nominated by Guotong)	Non-Executive Director
Mr Oliver Jan Schubert	June 20, 2018	Shareholder (nominated by Guotong)	Non-Executive Director
Mr Ulrik Dan Weuder	April 11, 2019	Shareholder (nominated by ATP)	Non-Executive Director
Mr Stephen Alan John Deeley	April 11, 2019	Shareholder (nominated by USS)	Non-Executive Director
Mr Gavin Bruce Merchant	July 24, 2017	Shareholder (nominated by USS)	Non-Executive Director
Mr Ignacio Pereña Pinedo	March 19, 2013	Not applicable	Secretary Non-Director

COUNCIL MEETINGS

In 2019, five meetings of the Appointments and Remuneration Committee were held within the Redexis Board of Directors in February, April, May, November and December. Likewise, the Au-

dit and Risk Committee held two meetings in February and another one in November.

In spite of having no legal obligation to establish any of these, Re-

dexis has shown its commitment to the principles of good corporate governance and transparency towards its stakeholders.

Executive Committee

Mr Fernando Bergasa Cáceres	Chairman
Ms Cristina Ávila García	Chief Operating Officer
Mr Antonio España Contreras	CFO
Mr Ignacio Pereña Pinedo	Secretary General and of the Board of Directors
Mr Borja Polo Baños	Director of Strategy and Business Development
Mr Javier Crespo Millán	Director of Operations
Mr Diego Sánchez Muslera	Director of Engineering, Bids and Execution
Mr Andrés Oliva García	Residential Commercial Director (B2C)
Mr Javier Migoya Peláez	Tertiary and Industrial Commercial Director (B2B)
Ms Susana Lorenzo De la Orden	Director of Corporate Resources*
Mr Miguel Mayrata Vicens	Business Diversification Director
Ms Ms. Estefanía Somoza Villar	Director of Institutional Relations, CSR and Corporate Communication
Ms Mireya Martínez San Martín	Director of Risks and Internal Audit

*Joined Redexis in January 2020.

Strategy and value creation

Redexis, as an energy infrastructure company, is committed to increasing its sustainable and efficient business model, developing a strategy whose objective is in line with the new remains facing the energy sector. These

challenges will entail be an active agent in the role that energy will have in terms of economic engine and impulse to climate change as a fundamental pillars of sustainable development.

For this, and in order to achieve the established objectives, it defines some strategic pillars that adapt to the current and future context and take into account the different characteristics of its business lines.

“A business model that responds to the challenges of the future”

Under this consideration, the Company focuses its strategy on the following **PRIORITIES:**

Balanced and sustainable growth

focused on businesses that provide security, stability and long-term visibility.

Risk management

identifying in advance safety, health and environmental standards, evaluating risk events based on their probability of occurrence and their possible impact on the Company's strategy.

Operational excellence

focused on the adoption of the most advanced and essential technology to provide added value and quality solutions in the projects carried out and the services provided.

Commitment to create value

promoting the well-being of society and caring for the environment.

The innovation

with the aim of progressing, transforming and improving the efficiency of its activities.

“This strategy allows Redexis to adapt to the changes coming from a circular, cleaner and more sustainable economy”



The development of the above strategic priorities is supported by the **FOLLOWING PILLARS:**



PERSONS

Keys to the development and growth of Redexis.



FINANCIAL STABILITY

It is materialized in controlling costs and generating cash, in developing investments that finance future growth and in maintaining an “Investment grade” rating level.

SUSTAINABILITY

Economic, social and environmental, an important factor in the Company's operations and the achievement of the Sustainable Development Goals.

CODE OF ETHICS AND CONDUCT

Redexis has a Code of Ethics which 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 for conduct aimed at guaranteeing ethical and responsible behaviour for all the professionals of the Redexis Group in the development of their activity.

Likewise, this Code determines the values and good practices that should govern business conduct as a whole and, likewise, the conduct of all those people linked to Redexis directly and indirectly, in the fulfilment of their functions and in their professional relationships. In development of the Code of Conduct, the following standards have been approved by Redexis, which are available to all employees on the Company's intranet:

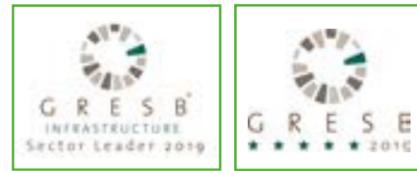
- **GOB 02 Standard** Communication of allegedly irregular events
- **Standard GOB 06** Institutional Attentions
- **GOB Standard 07** Relationship with members of Public Administrations
- **GOB Standard 08** Collaboration Agreements
- **GOB Standard 09** Prevention of Market Abuse Situations
- **GOB Standard 10** Prevention of Market Abuse Situations
- **GOB Standard 12** Relationship with agencies and Public Administrations
- **GOB Standard 13** Protocol for prevention and Action against situations of harassment
- **SIS 01** Use of email and computer systems in the face of harassment situations

Regarding corporate governance, during 2019, Redexis has approved:

- **Protocol for prevention and Action against situations of harassment**
- **The general policy of personal data protection**
- **The communication standard Corporate to**



Model of sustainable business



Redexis obtained in 2019 a five-star rating, the highest awarded, in terms of ESG (*Environmental, Social and Governance*) in the GRESB sustainability index, achieving recognition as a leader in the 2019 Infrastructure Sustainability Index.

In the 2019 edition, and after evaluating 393 companies in the sector, GRESB decided to give Redexis the maximum recognition thanks to the excellent performance carried out in 2018, promoting best practices in matters

of sustainability, social action and good governance.

The Company, measured within the Diversification category, increased its score by 17.5% compared to its activity in the previous year, achieving 74 points out of the possible 100.

Regarding the performance of the financial year 2019, Redexis obtained in May 2020 the "robust" rating in the sustainability and CSR rating of Vigeo Eiris, the leading international company in CSR

valuation, with ratings above the average for its sector in various indicators of sustainability. These organizations certify Redexis' commitment to the development of a socially and environmentally responsible activity.



REDEXIS' CONTRIBUTION TO SUSTAINABLE DEVELOPMENT:

Redexis, as a company adhered to the Spanish Network of the United Nations Global Compact, undertakes to support, through its activities, the consolidation of this international project, contributing to the achievement of the Sustainable Development Goals (SDGs), which constitute the 2030 Agenda. The company believes

in promoting a common roadmap for all the actors involved in sustainable development, from private companies, public administrations and civil society.

In 2019 and coinciding with the fourth anniversary of its approval, Redexis joined the "Allies of the SDGs" campaign of the Spanish

Network of the Global Compact, of which the Company is a partner, whose objective was to act as a speaker to achieve an effect multiplier and to be known and advance in the 2030 Agenda.

This Report has the function of being Progress Report¹ and is in line with the SDGs.

¹Annual report through which organizations report on actions carried out following the Global Compact information policy.

Dimension	SDG	Actions
SOCIAL		Payment of LPG bills from the most vulnerable customers who request it during the coronavirus crisis. Donation of 10,000 euros to the Spanish Federation of Food Bank.
		Donation of medical and technological material to field hospitals such as IFEMA during the COVID-19 pandemic. Financial donation to the Community of Madrid, the Autonomous Community of Aragon and to the SESCAM (Castilla-La Mancha's Health Service) of Castilla la Mancha Government for the purchase of health equipment by the lack of the same due to the coronavirus crisis. Implementation of the psychosocial and welfare action plan for Redexis employees.
		Constitution of the Redexis Foundation to help the most disadvantaged groups through charitable, social, cultural, educational works, etc. Telecommuting all Redexis employees to protect their health and prevent the spread of the virus.
ECONOMIC		Development of new artificial intelligence tools with new algorithms for the improvement of the retail efficiency of sales agents and for optimising network deployment. Continuity of supply at all times and suspension of outages during the COVID-19 crisis, providing critical infrastructure with natural gas.
		Commitment to the development of refuelling stations for natural gas vehicles (NGV), promoting their demand as fuel for fostering sustainable mobility. Renewable gas booster with photovoltaic solar installation projects in several Spanish cities. Agreement with CEPSA to promote NGV, with the aim of creating the largest gas station network in Spain.
ENVIRONMENTAL		Commitment to transparency and communication with its stakeholders through the publication of the second Sustainability Report.
		Redexis has signed agreements with manufacturers such as SEAT and FIAT for the advancement of sustainable mobility with the promotion of vehicular natural gas (NGV) to develop more sustainable alternative fuels.
		Calculation of the Carbon Footprint in its scopes 1 and 2, contributing to a reduction in greenhouse gas emissions.
ALLIANCES		Alliances and agreements with the main actors during the crisis to offer help and collaboration: Governments, Autonomous Communities, City Councils.

NATURAL GAS, AN ALLY IN THE ENERGY TRANSITION

Natural gas is a competitive energy source, low in emissions and efficient for both households, businesses and industries, and therefore plays a fundamental role in the energy transition and in the environmental objectives of the European Union.

The European Commission has signed a *Green Deal* to reverse climate change and curb its ef-

fects on the European continent, whose objective is to achieve a Europe with neutral emissions by 2050. This pact has attached great importance to green gas. In this sense, it plans to create a market for climate-neutral natural gas and make progress in the cross-border expansion of energy networks.

Natural gas plays a key role in a context of low emissions and

meets the needs of consumers while preserving the environment.

This energy improves local and global air quality, supports the penetration of renewables in the electricity sector, favors industrial competitiveness, guarantees security of supply and is clean, economic, reliable, comfortable and ecological energy.



Advantages of natural gas

- + economic:** its higher performance means that final consumption is lower, assuming a reduction in cost.
- + reliable:** generates a continuous supply without power cuts.
- + comfortable:** it allows you to use more power and there are no storage spaces.
- + ecological:** it does not emit solid waste, smoke or bad odors and it is the fossil energy that emits the least CO₂.
- + safe:** dissolves quickly in the event of an accident and the installation devices are better maintained.



Current natural gas opportunities

- It is key to the energy transition due to its low emissions: percentages of reduction in NOx and CO₂ emissions.
- Digitization and technological development improve the efficiency and productivity of the gas sector in Spain.



NATURAL GAS SITUATION AND TRENDS IN SPAIN

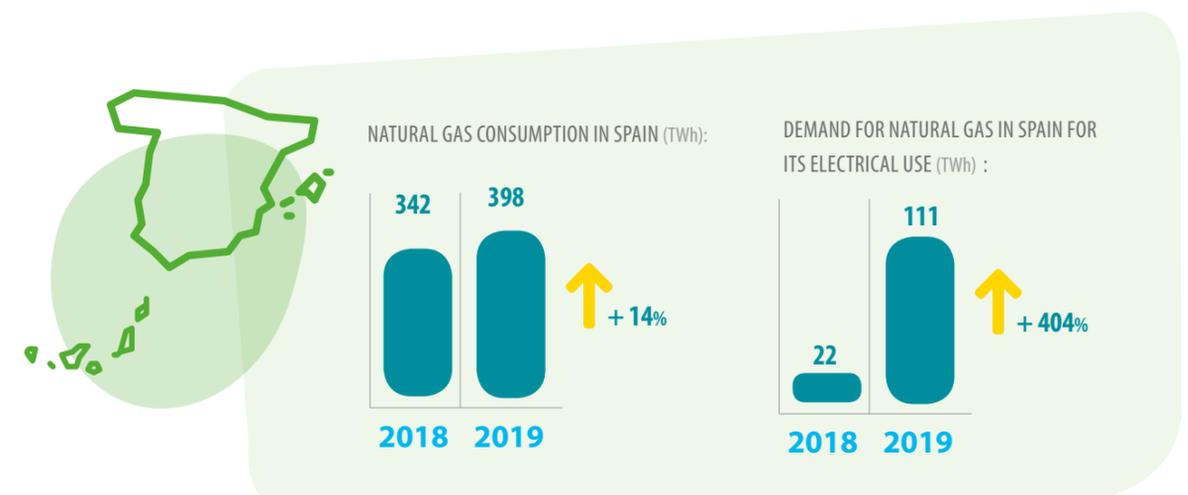
Natural gas plays a relevant role within the energy matrix of Spain, covering the needs of society and guaranteeing a sustainable environment.

Throughout 2019, its consumption has increased in Spain due to the decrease in other fossil fuels such as coal, highlighting the

increasing awareness of society regarding the environment and its preference for cleaner energy. This has reduced CO₂ emissions by 25% in 2019 compared to the previous year.

Natural gas consumption grows 14% and breaks a record in Spain, reaching 398 TWh. Gas demand is

expected to continue growing until 2024. Industrial consumption is responsible for 55% of the natural gas consumed, reaching 214 TWh, which represents an increase of 2% compared to 2018. In addition, the demand for natural gas for use as electricity in 2019 increased by 80% compared to 2018, reaching 111 TWh.



Increased use of combined cycle power plants

The development of combined cycle plants, due to their greater efficiency and sustainability, has promoted the use of natural gas for electricity generation. The use of this technology has been increasing for its energy and environmental benefits.

- REDUCTION OF EMISSIONS** in combined cycle plants
- YIELD** greater than **54%**
- 60% REDUCTION OF CO₂ emissions**
- REDUCTION** of up to **70%** of emissions of nitrogen oxide

Source: Report on natural gas and the sustainability of Sedigás.





“ The 2015 Paris Agreement and the United Nations 2030 Agenda for Sustainable Development mark the beginning of a sustainable global agenda ”

The sector is in a process of change due to the increasing proliferation of renewable energies with the aim of de-carbonizing the EU as proposed by the UN 2030 Agenda. In this sense, projects related to other types of cleaner energy such as hydrogen or biomethane are being developed, fields that Redexis is notably promoting. In 2019, work began on this line, seeking that these renewable gases could be a real option for industrial, residential and mobility uses. They contribute to de-carbonisation and reduce the emission of both gases and particles, in addition to generating employment in the rural areas where they are generated.

The 2015 Paris Agreement and the United Nations 2030 Agenda for Sustainable Development mark the beginning of a sustainable

global agenda In this context, the Ministry for Ecological Transition has issued Order TEC/406/2019, of April 5, establishing the energy policy guidelines derived from community law to the National Commission of Markets and Competition (CNMC), which you should take them into consideration.

Likewise, the Ministry for Ecological Transition has presented the Strategic Framework for Energy and Climate, which represents an opportunity for the modernization of the Spanish economy, job creation, Spain's leadership position in renewable energy and technologies, development in rural areas, improving people's health and the environment, and social justice.

The energy transition is one of the biggest challenges that the

sector has faced in recent years and in which natural gas has a key role due to its low emission of harmful gases, constituting one of the cleanest energies and contributing to de-carbonization of the planet. More than 60% of the Spanish industry was supplied with gas in 2019, an energy considered irreplaceable due to the needs for power and calorific potency that certain industries need: sectors such as the paper, steel, ceramic, cogeneration, chemical, glass, refinery or textiles carry out their activities with gas intensively. For these industries, gas is necessary since it defines their competitiveness by influencing their cost of production, especially in the industries that export their products and have to compete in other markets.

“ Sustainable Development Goals and circular economy: keys for the energy sector in 2019 and in the future ”

VEHICULAR NATURAL GAS (NGV)

Vehicular Natural Gas (NGV) is positioned as a cleaner, cheaper and more sustainable mobility alternative.

NGV has brought about a revolution both for society and for energy companies, which are becoming increasingly aware of the different types of energy with which they can coexist and what their impact is on the environment, leading to large investments destined for this countryside. NGV has grown strongly during 2019 in Spain: in 2018 there were 14,000 natural gas vehicles and in 2019 it reached 22,814, which is 60% more¹.

NGV is the use of natural gas for vehicles. It is a more economical and environmentally friendly alternative to traditional fuels, and Redexis is promoting its development through the creation of gas stations to recharge this type of vehicle and the creation of agreements for its growth.

Currently, in Spain there are 127 gas stations and 58 more planned. The opening of more gas stations is expected in the short term, which shows the great development expected in NGV throughout the national territory with large investments, responding to social and environmental needs. In 2019, 19 natural gas stations

were opened in Spain, of which eight are for CNG, five for LNG and six of both types.

The use of existing infrastructures allows its growth as it is an important logistical advantage, as well as others such as reducing emissions of both gases and particles and noise, reducing costs compared to other types of energy or fuels and the possibility of driving through restricted areas of cities for other more polluting types of vehicles.

Redexis is a main actor in the development of gas stations, beginning in early 2019 with the construction of the first gas station located in Zaragoza, in the Taxi Cooperative, and whose opening occurred at the end of the first half of 2019. This will be followed by the Coar gas station in Alcorcón (Madrid) and the Puerto Lumbresas gas station, which is the first of the agreement that Redexis and Cepsa signed to develop the largest gas station network in Spain.

In Spain, the CNG is already using Redexis, the municipal fleet in charge of waste collection and cleaning in Palma de Mallorca (Emaya), the Valoriza Environmental Services in Ibiza, the buses of the Municipal Transport Company of Palma (EMT), the urban buses of Figueras and the fleet of the cleaning collection company

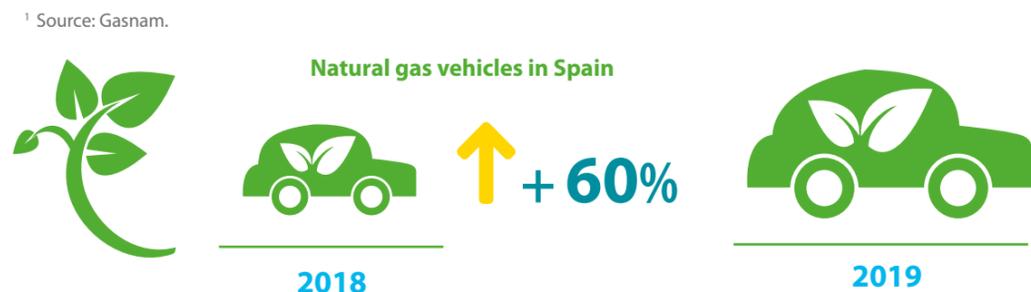
of the Puerto de Santa María. In addition, there are other gas stations connected to the Redexis network in national territory, for example in Murcia.

Likewise, agreements have already been signed to promote the sale of CNG vehicles and CNG refuelling infrastructures with manufacturers such as Seat and Fiat, and other promotion agreements to transform vehicles to CNG with transformers such as EVARM, ECOTRUCK and Gas & Go Trucks.

Redexis has made contacts with transport companies to reach infrastructure development agreements for changing fleets to NGV, as is the case of the FEBT in Mallorca.

The Company plans to have more than 100 gas stations nationwide in the next two years, an initial figure to provide national coverage, and to install another 80 by 2023.

The forecast for the future of NGV focuses on two aspects: on the one hand, on the implantation of gas stations throughout the national territory to promote these vehicles and be able to reach all areas of the Spanish geography; and, on the other, to position itself as a real alternative to long-distance transport compared to other more polluting types of fuel.



¹ Source: Gasnam.

“ The company plans to have more than 100 gas stations nationwide in the next two years ”



Alliance with Cepsa

Redexis and Cepsa signed in 2019 an agreement to boost Vehicular Natural Gas and expand it throughout the national territory, with the aim of creating the largest gas station network in Spain. The first seven gas stations, whose construction and commissioning will take place during the first half of 2020, will cover the main corridors of national transport corridors with LNG and CNG stations and will be present in the provinces of Murcia, Zaragoza, Madrid, Gerona, Cuenca, Jaén and Zamora. Before the end of 2023, the objective of this alliance is to reach 80 Service Stations with NGV supply, with a total investment of €60 million.



“Redexis and Cepsa have signed an agreement to carry out the largest gas station network in Spain”



Agreements with manufacturers

Redexis has signed agreements with manufacturers such as Seat and Fiat to promote the sale of vehicles powered by natural gas and refuelling infrastructures.

Access to fleets

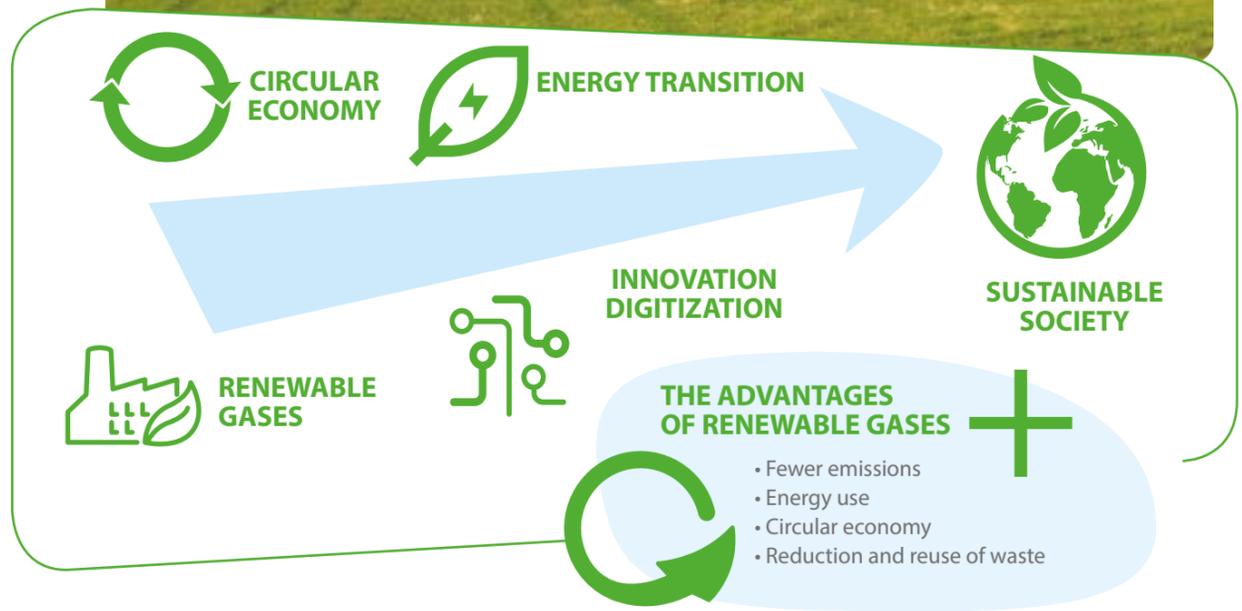
In 2019, Redexis has connected gas service stations to its networks, facilitating access to that energy to fleets such as the Cooperativa del Taxi de Zaragoza, an infrastructure that can be used by taxis and private vehicles.



“NGV is an efficient and sustainable energy source that reduces emissions into the air, limits noise pollution, eliminates waste in the form of particles and is more economically competitive for the consumer”

INVESTING ON HYDROGEN AND RENEWABLE GASES

Renewable gases will play a key factor in the energy transition due to their ability to reduce greenhouse gas emissions in sectors where electrification is not possible, as well as in mobility. Biogas is also important for the circular economy through the use of waste; and hydrogen by the union of the electricity sector and the gas sector, thus allowing a greater penetration of renewable electric energies as it can store as hydrogen the surplus of the wind and photovoltaic production.



HYDROGEN

As drivers of renewable gases, Redexis is strongly committed to the development of hydrogen as an energy vector, contributing to a greater penetration of clean and sustainable energy.

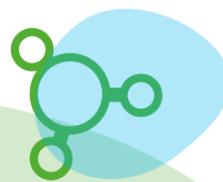
Redexis plans to invest €60 million over the next five years to promote initiatives related to the gas energy transition such as renewable gas and hydrogen, in line with the objectives of the European Commission, which considers the development of this energy essential to achieve a more environmentally friendly economy. Currently, tests have been carried out in certain countries to inject up to 20% hydrogen in existing natural gas networks, and these are the future forecasts that are being considered: to be able to inject hydrogen into current trans-

mission and distribution networks. Furthermore, the use of hydrogen and mobile fuel cells are key to completing the de-carbonisation of transport.

Renewable, or "green", hydrogen is that produced from renewable sources, so it does not emit carbon dioxide during its production and constitutes the best alternative for an emission-free future. This energy can also be injected into the natural gas transmission and distribution networks, thus taking advantage of the already existing infrastructure for the use of a still incipient energy. For the promotion of hydrogen as an energy source with great projection and future, Redexis participates in the HIGGS project to test different hydrogen mixtures in the natural gas network. In addition, the con-

struction of new gas pipelines that transport only hydrogen is also contemplated.

Since 2019, Redexis is also part of the Hydrogen Association, whose objective is to develop hydrogen technologies as a real alternative and promote their use and knowledge. That same year, in addition, Redexis and the Foundation for the Development of New Hydrogen Technologies of Aragon signed a collaboration agreement in relation to hydrogen; and the Gasnam association, which encourages the use of renewable natural gas in mobility, created a Working Group on hydrogen for its implementation as a land and maritime fuel, of which Redexis is coordinator.



“Redexis is promoting initiatives linked to the use of hydrogen as a real and effective solution, available and available to society”



“Producing hydrogen from renewable electrical energy and injecting it into existing networks mixed with natural gas, would help reduce greenhouse gas emissions”

“As promoters of renewable gases, we are strongly committed to developing hydrogen as an energy vector, contributing to a greater penetration of renewable energies”

GREEN HYSLAND PROJECT

Redexis actively participates in the GREEN HYSLAND project, addressing the deployment of a fully integrated and functioning Renewable Hydrogen ecosystem on the island of Mallorca and together with Enagas, Acciona and Cemex. The project brings together all the core elements of the H₂ value chain,

that is, the production, distribution infrastructure, and end use of green hydrogen through mobility, heat, and energy. The project has already been declared a Strategic Project by the Balearic regional government and has the support of the national government through IDAE.



FUEL CELL INTEGRATION INTO THE GAS NETWORK

Redexis is developing a project to integrate a fuel cell in a metering regulation station in one of its Zaragoza gas pipelines to supply electricity and heat, this being the first such integration to be carried out in Spain. The project aims to test this technology and its application for domestic or

tertiary uses, generate high efficiency, and study its feasibility to implement it generally in gas transmission and distribution networks, in order to reduce the environmental impact and footprint of carbon in the Company's activities.



BIOMETHANE

Redexis is promoting renewable gas production initiatives and their injection into the natural gas network. Biomethane is another real alternative for reducing CO₂ emissions and can be used as a vehicle fuel. It is established as one of the main energies for the future, and it is also very important because there is great technical potential in the national territory and it is 100% interchangeable with natural gas, and can be used for the same uses.

Main advantages:

- **Contributes to reducing emissions** of methane in the atmosphere.
- **Allows energy advantage**, with a net zero balance in GHG emissions.
- **Provides a viable solution for certain types of waste** that currently pose an environmental management problem (for example, slurry or FORSU).
- Indirectly and through the digestate produced in anaerobic digestion processes, **the transformation of waste and biomass into organic and renewable agricultural fertilizers is made possible.**

SOLAR ENERGY

In addition to hydrogen and biogas, Redexis encourages the use of solar energy. The Company offers families and industries a photovoltaic self-consumption product, efficient and respectful with the environment, which provides control over their energy production to make their consumption more economical. Solar energy, a renewable and totally clean source, finds in Spain the ideal country for its development due to its climatology.



A product to promote self-consumption:

SAVING up to **30%** in energy bills

A sustainable energy solution, **100% RENEWABLE**

QUICK AND EASY installation

LIFESPAN superior to **25-30 YEARS**

DISTRIBUTION AND MARKETING AGREEMENT

Redexis has reached an agreement with the Spanish Federation of Home Appliance Merchants (FECE) to distribute and market its photovoltaic products and services in the establishments of the entities associated with FECE. The compa-

ny's offer covers everything from carrying out the project, administrative procedures, supplying the equipment and installing it to its subsequent maintenance if the customer so wishes.

“Solar energy helps reduce carbon dioxide emissions, and therefore, improves air quality”

Risks and opportunities

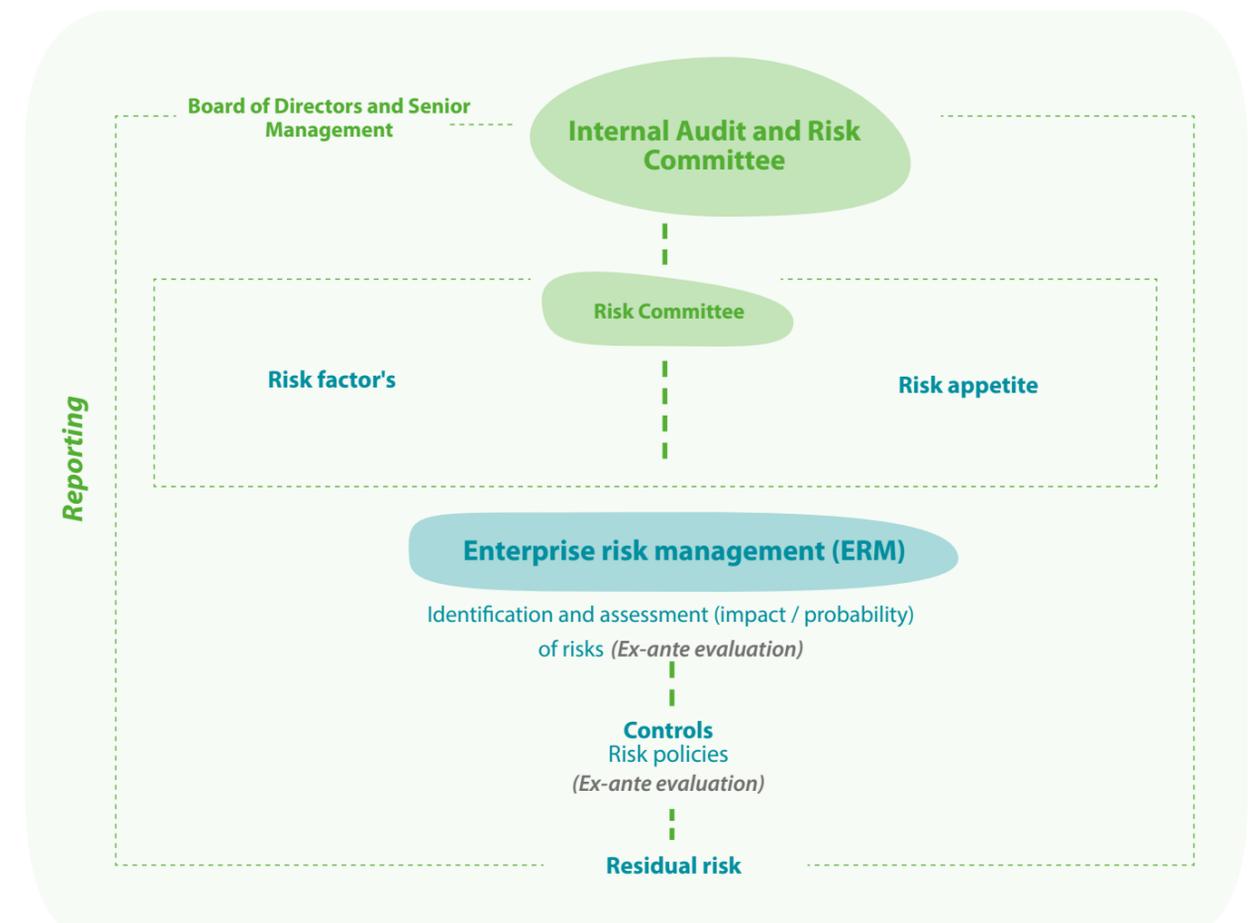
One of the keys to Redexis' success in achieving its strategic and operational objectives is based on effective risk management. This focuses on independence, anticipation, commitment to the objectives of the businesses in which it operates and the involvement of senior management.

The Redexis risk management model seeks to identify risk events in advance and assess them according to their probability of occurrence and their possible impact on objectives. The *Enterprise Risk Management (ERM)* risk management system, detailed in the Company's Risk Management Policy, based on international

COSO standards and ISO 31000, has been implemented.

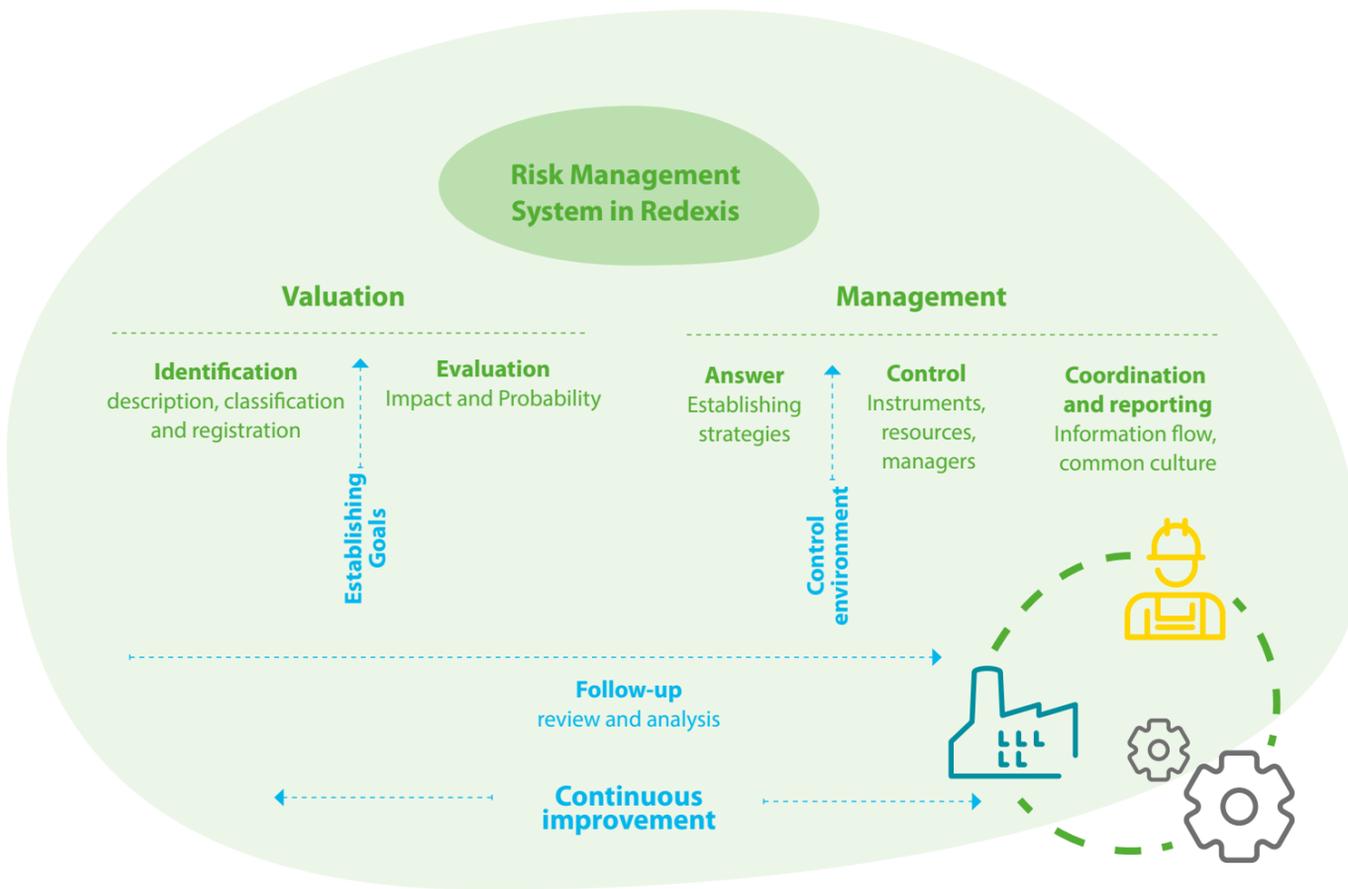
The related management activities are coordinated by the Audit and Risks Department, its main function being to serve as a link between the Directorates, the Presidency and the General Directorate, and the Audit and Risks

Commission, facilitating and supervising the implementation of management of said risks in order to ensure that the system identifies the different types and establishes the measures foreseen to mitigate them and to address them in the event that they materialize in effective damage.



Redexis has a risk identification and assessment process supervised by the Audit and Risk Committee and implemented in all business areas. This model provides a logical and systematic method that allows making decisions and responding in the best way to threats and opportunities as they arise, allowing them to be avoided in many cases.

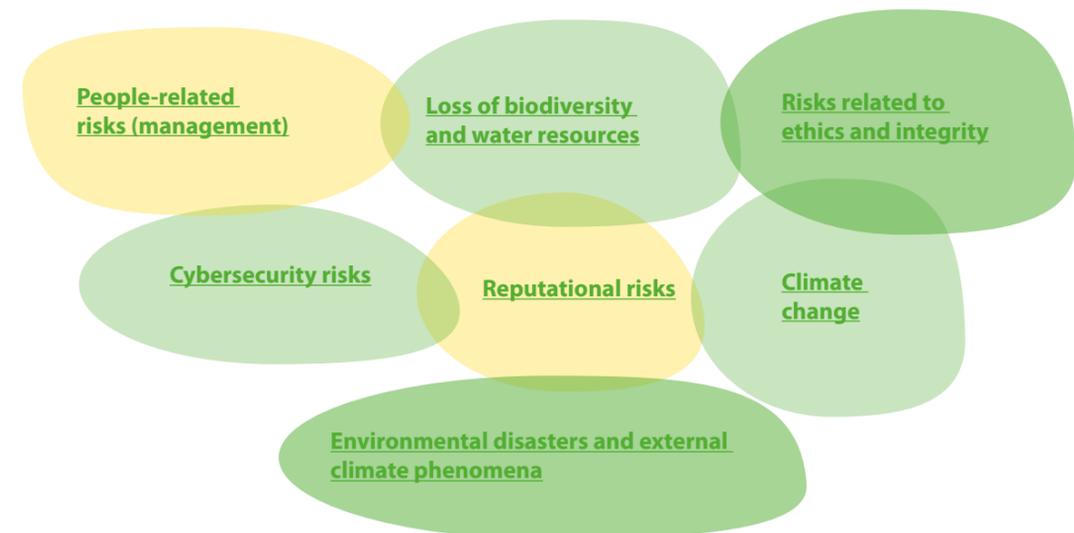
The **Redexis Risk Management System** is structured in the following stages:



Two Audit and Risk Commissions have been held during the financial year 2019. The **main roles** of these commissions are:

- **Review and evaluate** Risk Management policies and practices.
- **Monitor the effectiveness** of internal control and risk management systems.
- **Review society's capacity** to identify new risks.
- **Ensure** that the Board receives the necessary periodic reports on internal control and risks.
- **Control the effectiveness** of the Company's Risk Management System.
- **Monitor compliance** with external legal and regulatory requirements, as well as with the Company's Code of Ethics and other internal policies of the Group.

Redexis has to face various risks inherent in the sector and market in which it operates and which must be managed effectively for the correct achievement of its objectives. Redexis monitors these risks continuously and establishes new measures annually to mitigate their impacts. The main risks identified in Redexis in terms of sustainability are shown below, on which action plans are made and measures are established year after year to mitigate their impacts, achieving efficient and satisfactory risk management.



Within the risks directly related to sustainability, in 2019, Redexis has carried out various actions aimed at mitigating them:

RISK	PROJECT IN 2019
Fire or explosion in gas installations	New design, impacts and action plans of the Continuity Plan.
Energy consumption, materials supply and resource efficiency	Consumption reduction activities and study of photovoltaic implementation projects in gas installations.
Cybersecurity	Defining a new cybersecurity and reporting model, improving servers and databases, defining applications, cybersurveillance and alerts life cycles, Business Continuity Plan, and impact analysis.
Privacy and data protection	Executing the Data Protection Policy.
Community and interest groups	Carrying out the materiality analysis, being able to establish priorities for action and to ensure that they are aligned with the expectations of the stakeholders.



REDEXIS FACING COVID-19

In the face of the health emergency caused by the outbreak of the coronavirus in Spain, which has caused the death of thousands of people, the Spanish Government applied a number of measures such as the declaration of a State of Alarm and the lock down of the population inside their homes to prevent the spread of the virus.

After the schools closure in mid-March, ensuring the welfare of the workers of the Control Centre became a priority, as there was no option of remote working but their performance was necessary to monitor and control the infrastructures, the transport and distribution of gas remaining indispensable during the crisis. Whenever possible, Redexis encouraged remote working as a way to ensure

employee safety and to assist with work-life balance.

In addition, in order to coordinate all efforts and decisions concerning the COVID-19 crisis, a follow-up committee was organized, made up of representatives from different areas who would take joint and well-thought decisions regarding actions and protocols. Also, a complete disinfection of the work centres was ordered.

To ensure natural gas and LPG supplies, network and facilities support and emergency services, tank discharge operations in gas plants, and home emergency assistance were maintained at all times.

In addition, as they were considered critical and necessary tasks,

the home assistance actions requested in a manner accredited by consumers and related to continuity of supply, as well as other preventive and corrective maintenance tasks, continued to be carried out. Engineering, processing and construction works related to continuity of supply also continued.

“The priority has been ensuring people's health and safety”

In order to prevent the spread of the disease and protect the citizens' health, Redexis advised avoiding conducting non-urgent or non-continuity-of-supply related home tasks.

Performance 2019

Business evolution	33	Secure Infrastructures	56
Operational dimension	33	Network features	56
Economic-financial dimension	33	Network operation	56
		Security guarantee	58
		People Safety	58
		Safety of installations	59
		Supply safety	59
Climate change and environment	34	Service quality	60
Commitment to the environment in 2019	35	User and customer care model	63
Redexis Environmental management	38	Supply chain	64
Biodiversity	43	Community	66
		Redexis Foundation	69
People and talent	45	Innovation applied to the use of sustainable technologies	70
People management	45		
Labour relations	49		
Health and safety	50		
Staff	53		

DONATION OF FOOD AND HEALTH SUPPLIES

To help alleviate the social and health effects of the coronavirus crisis, the **Redexis Foundation** carried out various actions to support society. It donated technological supplies to the field hospital that was set up in the IFEMA compound and took over the payment of LPG invoices for his most vulnerable clients. In addition, various donations amounting to €100,000 were made to various entities such as the Spanish Federation of Food Banks, and to the Autonomous Communities of Madrid, Aragon and Castilla la Mancha, aimed at mitigating the lack of health supplies.

Redexis made sure that gas supply was guaranteed at all times in critical infrastructures such as hospitals, residences or health centres.





OPERATIONAL AND ECONOMIC-FINANCIAL DIMENSION

In 2019, Redexis achieved excellent operational results thanks to the experience and effort of its team that have strengthened its activity and presence in the territory.

OPERATIONAL DATA	UNIT	2018	2019
NG (P>4b)	#	595,067	618,183
NG (P>4b)	#	286	310
LPG*	#	85,159	96,188
Connection points	#	680,512	714,681
Provinces served	#	27	29
Municipalities with authorisation (NG+LPG)	#	500	530
Length of the network (Km)	Km	10,498	11,140
Length of the distribution network	Km	8,855	9,498
Length of the transmission network	Km	1,643	1,643
Energy distributed	GWh	34,065	35,642
No. of gas pipelines	#	51	51

“The Company is a key player in promoting social and economic development in the regions where it operates”

*The LPG connection points detail includes the 11,366 points purchased from Cepsa.

Redexis' trajectory and up-to-date results show its excellent ability to face future challenges, reinforce its growth strategy and constitute an incentive for continued investment in the deployment of new energy networks in Spain, as well as in new business lines and value-added services related to natural gas.

OPERATIONAL DATA*	2018	2019
Income	244.3	245.9
Distribution - regulated	105.6	109.6
Other distribution income - regulated	25.9	28.6
Transmission - regulated	61.9	62.9
LPG regulated business	28.4	22.3
Other operational expenses	8.9	6.8
Work carried out by the Group for non-current assets	13.5	15.7
Gross operating result	169.4	172.3
Margin (%)	69.3	70.1
Margin (excluding the dilution effect of the LPG Margin) (%)	75.6	75.1
Investment	138.4	151.1
Profit from the financial year	29.9	37.6

* Data in millions of euros except where otherwise indicated

ABILITY TO ACCESS CAPITAL MARKETS

1,000 M€ Issued bonds with due dates in 2025 and 2027 Redexis is included in the asset purchase programme of the ECB, which has acquired corporate bonds from the company	+	300 M€ “Revolving” sustainable bank credit for investments (measured by Vigeo Eiris)	+	150 M€ Sustainable loan measured by Vigeo Eiris maturity date in 2023	+	285 M€ EIB (European Investment Bank) for investments in the development of gas networks, with a final maturity date between 2036 and 2040	=	1,735 M€ contributing to the development of infrastructures in Spain
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Climate change and environment

The climate change and mitigation of its effects remain one of the greatest concerns for society and, in turn, the greatest challenge for the coming years.

Since 2015, with the adoption within the United Nations of the Paris Agreement, the necessary path is being built to fight climate change and to accelerate and intensify the actions and investments needed for a sustainable, low-emission future.

The Paris Agreement brings together for the first time the 197 signatory nations under a common cause: to make ambitious efforts to fight climate change and adapt to its effects, with greater support to help developing countries do so. In this way, it draws a new path in the climate effort worldwide.

The main objective of the Paris Agreement is to strengthen the global response to this threat, keeping the global temperature rise in this century below 2° C from pre-industrial levels and

continuing efforts to further limit the temperature rise to 1.5° C.

The European Union is fighting climate change through ambitious internal policies and close cooperation with international partners, aiming at being the first climatically neutral continent in 2050.

Climate action is at the heart of the European Green Deal, an ambitious package of measures ranging from a drastic reduction in greenhouse gas emissions and cutting-edge research and innovation, to the conservation of the European natural environment.

The main initiatives announced by the European Commission within the Green Deal are the future European Climate Law and the European Pact on Climate, which aim to engage citizens and all parts of society in climate action.

In Spain, the Council of Ministers, at the proposal of the Ministry for the Ecological Transition and the Demographic Challenge, sent the

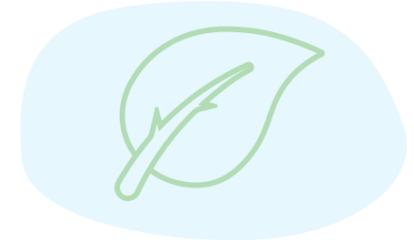
2021-2030 National Integrated Energy and Climate Plan (PNIEC) to the European Commission at the beginning of 2020. Its measures aim to place Spain on the good path to achieving climate neutrality in 2050, in compliance with the Paris Agreement.

Also, the draft Law on Climate Change and Energy Transition (APLCCTE), presented by the Government of Spain, which will be the regulatory and institutional framework to facilitate the progressive adaptation of the national reality to the requirements governing climate action, began at the beginning of 2020 the final stages of its administrative procedure. This tool will facilitate and guide the decarbonization of the Spanish economy to 2050, a path that has to be socially fair. Mitigation of the effects of climate change and the importance of the ecological transition, as well as respect for the environment and for the achievement of a sustainable society and economy, have been one of the main focus points of Redexis throughout 2019.



“The European Union has undertaken on the 2050 horizon the goal of becoming the first climate-neutral continent”

COMMITMENT TO THE ENVIRONMENT IN 2019



In keeping with its strong commitment to the environment, Redexis works daily to achieve a real sustainability integrated into its corporate strategy, in line with the 2030 Agenda for Sustainable Development Goals (SDGs).

This commitment to the environment of the Company is formalized through its **Integrated**

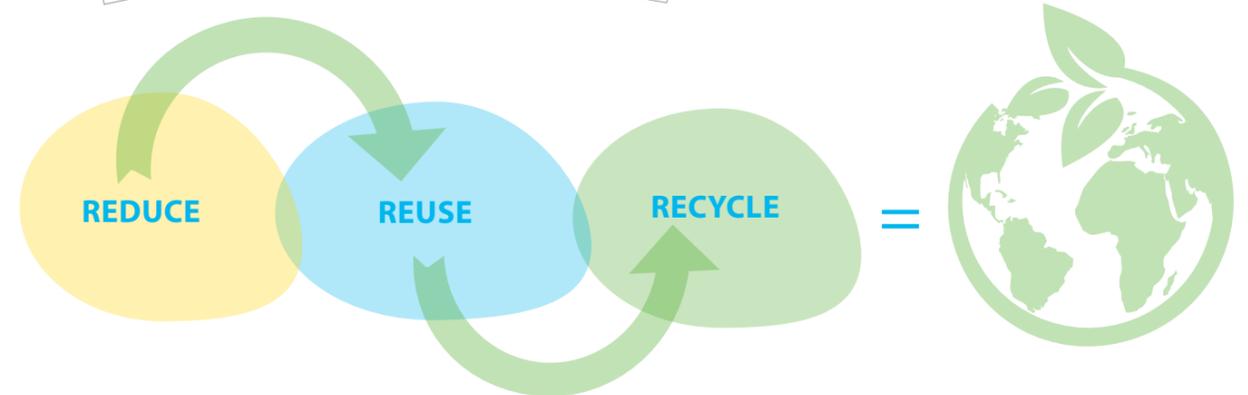
Policy, which places value in environmental excellence, management and energy efficiency, facilitating the framework for establishing and reviewing the goals that the company intends to achieve.

Redexis has incorporated all its principles and strategies into its **Integrated Management Sys-**

tem, adapting the standards of the environmental management standard ISO 14001:2015 and ISO 50001:2011, which verifies the efficient and sustainable use of energy.



“As a key part of its contribution to minimizing the effects of climate change, Redexis includes among its commitments the pursuit of innovation linked to a circular economy”

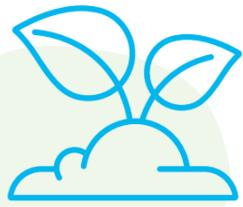


The concept of circular economy arises in response to a future scenario of resource depletion and environmental degradation. It seeks to achieve efficient production models that can contribute to the

protection of resources, the reduction of environmental impacts and the fight against climate change.

The nature of Redexis activities, such as waste management and

ecosystem preservation, as well as the commitment to renewable gases such as biomethane or hydrogen, are consistent with the development of a circular economy.



In this context, Redexis **moves forward in:**

- **Boost sustainable mobility** for greater efficiency that not only saves costs, but also reduces CO₂ emissions released into the atmosphere.
- **Protect biodiversity** by applying a preventive approach that promotes its conservation.
- **Commit to renewable gases** as an energy vector that facilitates the transition to a decarbonized energy model.

Redexis adapts to reality and is able to anticipate changes, therefore taking advantage of opportunities linked to a circular, cleaner and more sustainable economy. It makes innovation serve sustainability by relying on projects that drive the development of clean and renewable energies.

In 2019, the Company established various **objectives and strategies** oriented toward environmental, energy and sustainable development management and was responsible for promoting awareness towards environmental protection, as well as energy use and consumption.

“ Redexis makes innovation serve sustainability ”



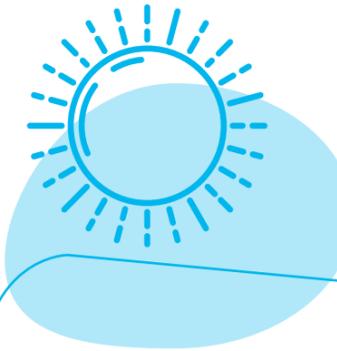
It was proposed, among other goals:

- **Implementing the Integrated Management System for Safety and Health, Environment and Energy**, in order to demonstrate a continuous improvement, complying with the requirements of ISO 14001 and ISO 50001 regulations, successfully overcoming external audits while maintaining their certifications.
- **Savings in self-consumption ratios** and reduction in office power consumption.
- **Acquisition of energy with guarantee of renewable origin**, thereby reducing greenhouse emissions.
- **Identifying and evaluating the environmental aspects**, focusing on the most significant ones and minimizing their impact, while preventing and controlling the pollution generated as a result of the activities of the Group.
- **Promoting the rational use of resources and minimizing environmental impacts**, making the Company's facilities and activities more respectful of the environment every day.
- **Encouraging energy saving and the rational and balanced use of the various energy sources**, promoting the development of cleaner and more efficient energy technologies and minimizing the carbon footprint of their activities.

Within the Integrated Management System set up by Redexis, an **Environmental Emergency Plan** is included, describing the actions that must be carried out if an en-

vironmental emergency ever occurred. This Plan is an additional document to the Self-Protection Plans or Internal Emergency Plans, developed for the transmission

gas pipelines, the natural gas and propane storage plants to which it applies, and the distribution networks.

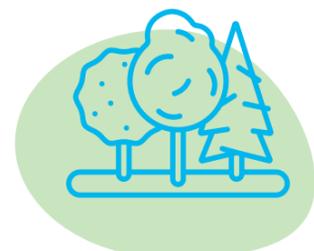


ACTIONS OF THE REDEXIS ENVIRONMENTAL EMERGENCY PLAN

- **Effectively plan the organization of human resources** and the use of available technical resources.
- **Prevent and reduce the damage** that such situations can cause to people, facilities and the environment.

A number of environmental action measures were adopted during 2019, including:

- the maintenance and **improvement of monitoring of environmental and energy data**,
- **the calculation of the carbon footprint** with the aim of reducing it in three years,
- the start of the process of **calculating diffuse carbon footprint emissions** with the new methodology of Sedigás,
- the review and updating of the **Environmental Emergency Plan**,
- the unified collection of data of tons of **construction and RCD demolition waste management** through dashboards and
- **regular meetings** of the energy management team at the corporate level and of the Territorial Environment and Energy Committees.



ENVIRONMENTAL MANAGEMENT IN PLACE AT REDEXIS



The environmental management in place at Redexis is based on the following key pillars:

- **Environmental monitoring** in the field of corporate activities.
- **Planning and orderly execution** of activities, reducing the impact on their environment.
- Improvement in **the management of waste** generated, applying appropriate measures for the reduction, recovery and recycling of waste.
- **The provision of the information** and of the **resources** necessary to establish and review the objectives and goals that guarantee the management of the environment and energy.
- **Reducing the consumption of natural resources** through the use of recycled products.
- Employee **information and awareness**
- **Compliance with the environmental requirements** established in the environmental licenses, declarations and authorizations.
- **Conducting environmental** emergency drills.



In order to establish effective and efficient emission reduction policies, Redexis calculates its **greenhouse effect emissions**. The main goals pursued in deciding to carry out this initiative are:

- **Knowing and assessing the Organization's GHG emissions** in order to identify opportunities for carbon footprint reduction.
- **Maintaining a responsible commitment** to continuous improvement.
- **Recording the carbon footprint** in the National Carbon Footprint Registry of the Ministry for Ecological Transition (MITECO).

In line with this, during 2019 Redexis registered the **calculation of its 2018 Carbon Footprint** within scope 1 and 2 with the Ministry for Ecological Transition, receiving the 'Calculation' seal for its natural gas transmission and distribution activities.

This action is an essential element of information and transparency that helps manage the risks and opportunities that the Company has to face in order to eliminate greenhouse gas emissions in a global and integrated manner.

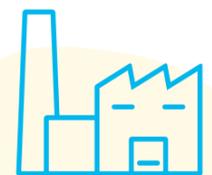
CARBON FOOTPRINT	2018			2019		
	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total
Offices	---	136.4	136.4	1.43	87.75	89.18
LNG plants	456.7	82.7	539.4	422.8	52.18	474.98
LPG plants				381.84	3.91	385.75
Transmission positions	2,424.10	262.5	2,686.50	2,209.58	175.71	2,385.29
Fleet of vehicles	238.6	---	241.86	237.29	---	237.29
Diffuse emissions	30,810.90	---	30,820.60	29,305.06	---	29,305.06
TOTAL	33,930.30	481.60	34,424.76	32,558.00	319.55	32,877.55

As part of the Integrated Management System, a number of **environmental indicators** directly connected with the company's activity have been established, on which, once measurements and monitoring are completed, measures for improvement are established.

	TOTAL EMISSIONS SCOPE 1+2	2018 BASE	2019	2019 VS 2108
Total	tCO ₂ (without LPG in 2018)	34,424.76	32,877.55	-
	Ratio (tCO ₂ / m Tx, Dx and LPG networks)	3.60	3.04	-15.7%
Total energy consumed	tCO ₂ (without LPG in 2018)	3,604.16	3,572.49	-
	Ratio (tCO ₂ / m Tx, Dx and LPG networks)	0.38	0.33	-12.5%
Total diffuse emissions	tCO ₂ (without LPG in 2018)	30,820.60	29,305.06	-
	Ratio (tCO ₂ / m Tx, Dx and LPG networks)	3.23	2.71	-16.1%



“Environmental Excellence, a key value of Redexis policies”



Total energy consumption by type of Redexis facility in 2019, including offices, LNG plants, transport and vehicle fleet, reached 1,404,317 kWh, with associated emissions of 3,572.49 tCO₂.

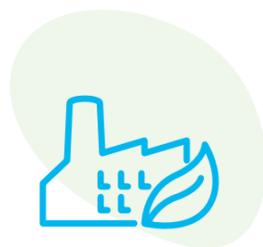
NG, LPG, DIESEL, PETROL, ELECTRICITY		2018 Base	2019	2019 vs 2018
Total energy consumed	kWh (without LPG in 2018)	15,460,744	17,404,317	
	m Tx, Dx and LPG networks (without LPG in 2018)	9,551,000	10,818,593	
	Ratio	1.62	1.61	-0.6%
Tx Positions	kWh consumed	11,657,737	11,860,860	1.7%
LPG plants	kWh consumed	0	1,702,691	
LNG plants	kWh consumed	2,325,658	2,372,676	2.0%
Vehicles	kWh consumed	983,433	973,503	-1.0%
Offices	kWh consumed	493,916	494,587	0.1%

TOTAL ENERGY CONSUMPTION BY INSTALLATION TYPE (kWh)

If energy consumption is analysed by type of facility, we obtain the following results when comparing 2018 to 2019:

NG, LPG, DIESEL, PETROL		2018 Base	2019	2019 vs 2018
Total energy consumed	LHV kWh (without LPG in 2018)	13,769,624	15,628,971	
Tx Positions	LHV kWh consumed	10,758,992	10,884,671	1.2%
LPG plants	LHV kWh consumed		1,680,942	
LNG plants	LHV kWh consumed	2,027,199	2,082,785	2.7%
Vehicles	LHV kWh consumed	983,433	973,503	-1.0%
Offices	kWh consumed		7,070	

ELECTRICITY		2018 Base	2019	2019 vs 2018
Total energy consumed	LHV kWh (without LPG in 2018)	1,691,120	1,775,346	
Tx Positions	kWh consumed	898,745	976,189	8.6%
LPG plants	kWh consumed	0	21,749	
LNG plants	kWh consumed	298,459	289,891	-2.9%
Offices	kWh consumed	493,916	487,517	-1.3%



Detail of **internal and external energy consumption by primary source** (coal, diesel, electricity, natural gas) and of the measures taken to improve energy efficiency and the use of renewable energies.

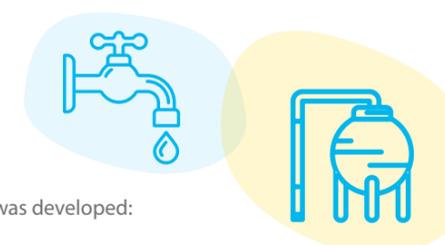
POWER CONSUMPTION (kWh)

	2018	2019	Variation	Measure taken in 2019
Offices	1.598	1.397	-12.6%	Incorporation of LED technology
Tx positions	1.397	1.723	23.3%	Optimization of operational parameters in position and transportation installations
LNG Plant	6.378	6.406	+0.4%	Probe installation and PLC programming to optimize the governance of heating systems
LPG plant	-	13.9	-	Thermal insulation of installation elements and external vapour insulation. Study of optimization of heating systems of LPG plants with self-consumption (implementation planned for 2020)

Similarly, although water consumption is not a material issue in the daily development of its activity, Redexis keeps track of consumption of non-energy resources:

CONSUMPTION OF NON-ENERGY RESOURCES M³

Consumption of non-energy resources	Total 2018 (m ³)	Total 2019 (m ³)	Indicator (/employee) 2019	Indicator (/employee) 2018	Variation
Water consumption offices	553	551	1.55	1.79	-13.15%
Water consumption facilities	542	578	1.63	1.75	-7.05%



To reduce these GHG emissions, as well as energy consumption, an **EMISSIONS REDUCTION PLAN**, which includes several **MEASURES** was developed:

- **Probe installation** and PLC programming.
- Addition of **LED technology**.
- Purchase of **electricity supply with certificate of guarantee** of renewable origin.
- **Redexis vehicles fleet replacement** for field work with natural gas vehicles to reduce CO₂ emissions.

THE IMPLEMENTATION OF THESE MEASURES HAS ACHIEVED:

- 15.7% **DECREASE** in our **carbon footprint** (t CO₂/ m Tx, Dx and LPG networks)
- 12.5% **DECREASE** in our **energy consumption** (t CO₂/ m Tx, Dx and LPG networks)
- 16.1% **DECREASE** in total **diffuse emissions** (t CO₂/ m Tx, Dx and LPG networks)
- 0.6% **DECREASE** in total **energy consumed** (kWh/ m Tx, Dx and LPG networks)

In addition, the appropriate systems are established to ensure that the Company properly 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.

Prevention of waste contamination: all personnel are responsible for placing waste in the right container. Hazardous waste is disposed of in hygienic and safe conditions in the areas intended for this purpose.

- **Waste storage:** each waste producing centre has specific areas for waste storage and containers for all types of waste generated.
- **Labelling of waste:** all containers are properly labelled in a clear, legible and identifiable manner.
- **Waste management:** waste is managed by authorized carriers and managers.
- **Waste monitoring and measurement:** this is done weekly. Authorized managers monthly report the amount of waste managed.



BIODIVERSITY AND NATURAL CAPITAL

Redexis is a company strongly committed to the environment, natural conservation and biodiversity. Its environmental strategy comprehensively deals with the impacts it produces, trying to prevent them and in turn compensate them. In a preventive manner, the possible environmental risks during the design phase of each activity are studied in order to avoid or minimize them, therefore using resources in a more sustainable way and extending the lifespan of the installations.



“ In accordance with the precautionary principle, Redexis guarantees a high level of protection of the natural capital through preventive decision-making in the event of risk ”

In cases where facilities are close to protected areas or of high biodiversity value, Redexis conducts specific studies to improve its knowledge of the natural space and reduce potential impacts.

restore and monitor the affected area, which will depend on the areas through which the gas pipeline runs. It details the species to be repopulated, along with landscape improvement actions.

Monitoring Program for both the construction phase and the gas pipeline operation phase. This is intended to monitor the impacts and monitor the effectiveness of the preventive and corrective measures established in the EIA, as well as the conditions established. Among others, it should be noted:

Within the Environmental Impact Assessment (EIA) procedure that is carried out in the design phase, and by which the competent Environmental Authority decides whether or not to carry out the project, Redexis develops an Environmental Impact Study in which it analyses protected areas or with a high ecological value in order to adapt the project to avoid, reduce or compensate the impacts on biodiversity.

“ Once the construction of an infrastructure has been finished, Redexis performs a replanting and landscape restoration ”

Beyond the maintenance inherent to routine operation and maintenance warranty tasks, Redexis carries out environmental monitoring in the identified areas in order to avoid damage to the environment.

- **Adequate management** of hazardous and non-hazardous waste.
- **Comprehensive control** of the machinery and vehicles on site in such a way that they are guaranteed to have the certificates and regulatory inspections in order.
- **Communication** with affected environmental bodies.
- **Compliance** with defined environmental specifications.

Following the construction of a gas pipeline, Redexis carries out a series of guidelines to reforest the affected area. The Environmental Impact Statement issued by the competent authority determines how to build,

Along with the EIA procedure, Redexis drafts an Environmental

ENVIRONMENTAL INDICATORS	UNIT	2018	2019
NON-HAZARDOUS WASTE	Kilos	14,758	13,582
Confidential Paper	Kilos	9,022	7,296
Cardboard	Kilos	2,976	3,008
Plastic	Kilos	2,632	2,044
Toner	Kilos	103	100
Batteries	Kilos	25	20
HAZARDOUS WASTE (fluorescent and luminaries)	Kilos	44	0 ¹
Installations	m ³	542	578
Offices	m ³	553	551
TOTAL WATER CONSUMPTION	M³	1,095	1,129

¹ In 2019, all fluorescent lighting systems and office luminaries were switched to LED-type technology systems, so no hazardous waste was generated or will be generated in the future.

In addition, during 2019 training in energy and environmental awareness has been increased, from 4 training actions in this field in 2018 to 47 in 2019.

ENVIRONMENTAL TRAINING	2018	2019
No. of training actions completed	4	47
No. of training hours provided	158	632
No. of trained workers	79	287



The duration of this surveillance is determined in the EIA together with the bodies responsible for preserving the affected natural spaces, which, according to the results of the restoration and replanting, value the scope achieved and decide on the level of completion of the environmental management over the Company's infrastructure. However, in its maintenance and operation

plans, Redexis maintains the guarantee of ensuring the preservation of environmental actions carried out.

During 2019, Redexis has carried out maintenance work on transmission infrastructures. There really are no relevant actions, as a result of the good results in the restoration and improvement of the landscape carried out. How-

ever, during the last few years, Redexis has carried out a comprehensive monitoring of the various undertaken projects with the aim of improving the evaluation and mitigating the impact on the natural spaces damaged by its activity, working in the area of the restoration of habitats affected by the construction and operation of its infrastructures.

“Redexis carries out a comprehensive monitoring of the undertaken projects with the aim of improving the evaluation and mitigating the impact on the natural spaces damaged by its activity”



Archaeological remains in Palma de Mallorca

At the beginning of 2020, while digging in Palma de Mallorca, archaeological remains of an "Opus signinum" (floor of a Roman house) and of materials from the 1st and 2nd centuries AD were found. We immediately informed the Heritage Spanish Agency and performed a tasting following its guidelines, expanding the area and putting on protective material. The workers placed the gas pipe without causing damage to the structure.



People and talent

Redexis has a solid corporate culture that defines its way of working and allows it to successfully face future challenges. Its ability resides in having values, attitudes and skills that support the people's development.

THE MODEL OF PEOPLE MANAGEMENT IN PLACE AT REDEXIS ENABLES:



PEOPLE MANAGEMENT

It is essential for Redexis to attract and retain people who share its values and are committed to its mission, vision and values.

Within the Human Resources area, a number of specific policies, initiatives and projects are designed and implemented, focusing on selection, training, development,

compensation and benefits, diversity and equality, culture and commitment. All these social policies and benefits are available to all employees through the Intranet.

Talent attraction and selection

Redexis success is largely due to its human team, with talent management being a key item. Therefore, it strives to attract and select the best professionals who possess the competencies, knowledge and skills aligned with the Group's values, based on the following principles and commitments:

- **Commitment to equal opportunities and support of diversity.**
- **Development of objective and impartial selection and hiring procedures,** based exclusively on merits and capabilities criteria.
- **Prioritisation of stable contracts,** whenever possible.
- **Promotion of a scholarships and other agreements program,** facilitating access to the workplace for young people.
- **Prioritisation of hiring of under-represented groups** in different areas of the Group, including persons belonging to excluded groups and with different abilities.

A welcome plan is key to new employees being integrated and adapted to Redexis, so in 2019 the 'We are Redexis' welcome program was developed, which includes comprehensive online training on the Company, key figures, history, organization, commitments, etc.



Annual Meeting and Acknowledgements

The 2019 Annual Meeting of Redexis was held during the month of July. A meeting that brought all employees of Redexis together and where 2018 Redexis Trade, Technical and Special Awards were delivered. The Technical Awards aim to promote and guide technical work towards excellence and to promote good practices. The Business Awards recognize the sales area and its effort in helping the Company meet its contracting and registration goals. And the Special Awards recognize employees who have greatly contributed to the fulfilment of Redexis results and those whose attitude is in line with the Company's values.

TRAINING AND DEVELOPMENT

Redexis carries out training and development programs to be able to respond adequately to its team's goals and the challenges it faces every day in the marketplace. Some of the initiatives launched during 2019, within the Group's training and development plan, have been:

“ Redexis promotes proper training, recognition of the work done and equal opportunities ”



- **Internal Job Posting Tool:** where employees can check and apply for open positions.
- **Implementation of a Learning Management System,** which we have called 'Campus Redexis', which allows to integrate and manage all the training actions that are carried out in the Company. Through the Campus, calls for training are sent and registration of participants, number of hours, evaluation of the training, examinations... are done.
- **Use of different methodologies to enhance and optimize learning,** such as online or blended training, educational pills, mobile apps, chats, etc. A few highlighted initiatives are the implementation of an online English language training platform for all employees and office training courses for 40% of staff.
- **Support in** the Legal, Cybersecurity, GEMASST and CSR areas; in content management and development, impact and results improvement.
- **Creation of Leadership Development Programs** to manage talent and people across teams. The 'Leadership and People Management Program' developed by Otto Walter stands out, addressed to the Management Committee, as well as directors and assistant directors leading teams, in order to acquire a common vision and methodology for leading and managing their teams.

TRAINING HOURS BY PROFESSIONAL CATEGORY

Management team	2,158
Managers / Experts and Technicians	3,488
Operational Support and Sales Representatives	927
TOTAL:	6,573

Number of participants and hours per content

TRAINING ACTIONS	Participants	Hours
The We are Redexis Program	234	351
Corporate Training	456	716
Leadership and Team Management	47	1,880
English	201	1,305
Technical Training	31	1,061
Office	170	1,134
Selling Skills	18	126
TOTAL:	1,157	6,573



FLEXIBLE RATE MODEL

The Group's commitment to equality is also reflected in its remuneration policy, rewarding the achievement of objectives through a variable pay model from which all employees benefit. It includes the following programs:

- **Flexible rate:** possibility to access a series of products according to the needs of each professional, with the aim of optimizing his/her available cash. In 2019, more than 60% of the workforce had a profit with this program that has four products: Health insurance, which has a subsidy in the holder's premi-

um; Transportation, Restaurant and Nursery, which has a social benefit aid per child.

- **Redexis Discounts Club:** includes multiple items and leisure activities, such as movie tickets, shows, restaurants, trips, hotels, sport, fashion, etc.
- **Life and accident insurance and Pension plan:** every member of the Company, from the beginning, has a life and accident insurance and, after one year, can choose to join a pension plan, considered a socially responsible investment.



INTERNAL COMMUNICATION

Transparency, access to information and ongoing dialogue are key to the effective management of Redexis' communication with its employees.

The Company relies on an internal portal (comunicacion@redexis.es) that promotes shared communication between all areas and collaborative spaces that allow people to connect. This tool keeps people informed on a daily basis about the Redexis achievements.

In 2019, the communication channel 'Compromiso Redexis (Redexis Commitment)', (compromisoredexis@redexis.es) was created within the area of Corporate Social Responsibility (CSR) and Sustainability, belonging to the Corporate Communication Division. This tool provides information about all CSR and Sustainability actions, campaigns and projects, as well as about initiatives in which both the company and its employees can actively participate. It is also a two-way channel, through which all CSR activities or suggestions

that contribute to the growth of the organization can be sent.

Likewise, Redexis has an internal and external complaints channel (canaldenuncias@redexis.es) through which complaints, complaints or claims in connection with alleged irregular facts may be made. To this end, if necessary, disciplinary measures could be taken as may be appropriate as a result of the complaint, as well as the transfer of the case to the competent public bodies for the purpose of investigating the events that have occurred. No complaints have been received in this channel during the 2019 financial year.

Likewise, each time an internal standard is approved, it is communicated to the entire Company by email and the obligation to comply with it is also emphasized. All internal regulations are available to employees on the Intranet.

In 2019, the 'Redexis te escucha (Redexis Listens to You)' Employee Survey was conducted, with a staff participation of 75%. Its goal

DIGITAL DISCONNECTION

In the current context of digitization, together with the remote work established for all Redexis workers, the Company has insisted on the value of digital disconnection and has set a number of guidelines to make it possible, such as respect for rest and vacation times, avoid the scheduling of meetings and e-mails during these periods or the rational use of digital tools, applying these measures equally to suppliers and contractors.

was to give voice to all members and to know their opinions and perceptions about different topics of the organization. The management was carried out by a worldwide recognized consultancy firm, thus guaranteeing the total confidentiality and anonymity of the participants and the reliability of the data collected. The results made it possible to identify the strengths and opportunities of the Organization on which different actions are taking place.



LABOUR RELATIONS

In the process of modernization, homogenization and renewal of commitments, Redexis signed in 2018 with the trade unions U.G.T. and CC.OO. the **second Company Collective Agreement** with a duration of four years, extending the duration of the previous Collective Agreement granting a framework of longer-term stability and improving the working conditions of people in different areas:

- **Reducing progressively the annual working day** during the term of the Agreement.
- **Increasing holidays** to 24 working days in 2018 and 2019, and to 25 days in 2020 and 2021.
- Establishing a **salary update mechanism** with a fixed percentage, which likewise includes a review mechanism with the CPI to avoid the loss of purchasing power.
- The inclusion of **non-consolidated payment associated to the achievement of Redexis's EBITDA**.
- The **social benefits improvement**, among others, with an increase in the Company's contribution to the employment pension plan available to all workers, acknowledging a 70% subsidy of the private medical insurance and increasing the compensation for the availability for on call time and carrying out of shifts.

In addition to the foregoing, within the scope of the collective Agreement negotiation, all the Company's workers participation in the annual variable remuneration program was recognized, promoting a work model based on objectives and result-oriented based on responsibility and autonomy.



One of the Group's main objectives is to promote equal opportunities. For that purpose, since 2017 Redexis has an **Equality Plan**, the most outstanding principles thereof are as follows:

- **Selection and recruitment:** To promote the presence of women, especially in areas in which they are less represented.
- **To ensure equal opportunities** and non-existence of gender biases in the Company's remuneration policies.
- **To introduce a gender perspective in the treatment of occupational health**, promoting equal opportunities in the prevention of occupational risks.
- **To promote and encourage professional development of women** to positions of greater responsibility within the Company.
- **To promote a culture based on equal treatment** in the organization and its projection abroad.
- **To establish protection measures**, help, support and information for victims of gender-based violence.

In order to achieve the goal of equality, Redexis considers the effective work-life balance of its employees as a basic axis, encour-

aging the balanced assumption of family responsibilities and avoiding any discrimination based on their exercise, encouraging and

expanding in a process of improvement, modernization and updating of measures to facilitate conciliation:

- **Expanding the flexibility** of the entry time.
- **Allowing flexible compliance of the working day** in weekly computation.
- Establishing as **non-working days** the 24th and 31st of **December**.
- **Enjoying an intensive day** from the last week of June to the first week of September, in addition to the working day prior to the start of Easter and the working days prior to December 24th and 31st.
- **Having a 16-hour bag per year for personal matters** and family needs under annual holidays.
- **Recommending business meetings scheduling** as a priority within the mandatory presence timetable.
- **Developing available technology to facilitate work execution**,

as well as preferably the communication and videoconferencing systems, with the aim of reducing commuting and business trips.

• **Improving the rights to change the timetable arrangements** for those looking after family members with disabilities or dependents, victims of gender violence or victims of terrorism.

• **Granting assistance to pay for childcare** of the daughters and sons of workers.



WORKING DAY REGISTRATION

On the occasion of the publication of Royal Decree-Law 8/2019, dated March 8, on urgent measures for social protection and the fight against job insecurity in the working day,

which sets forth the obligation of companies to guarantee the working day registration of all workers on a daily basis, Redexis has implemented a Working Day Registration System to facilitate

this task for all professionals, in addition to the possibility of reporting incidents of presence, holidays managements, paid leave and the like.

HEALTH AND SAFETY

Redexis health and safety strategy develops different strategic objectives. One of the objectives is to continually improve the processes, systems and capabilities thereof to guarantee the quality and safety associated with both the activity and facilities thereof, and the services made available to its users and customers. The health and safety standards certification allows the homogenization and standardization of Redexis' working conditions.

The main strategies that the Company has implemented during 2019 regarding human health and safety have been based on:



- Promoting **leadership**.
- Promoting **outreach** and awareness of **occupational safety and health**.
- Promoting wellness and healthy **lifestyle**.
- Guaranteeing workers **sufficient and adequate** health and safety training in the workplace.
- Guaranteeing **general information to workers** through their representatives, in addition to direct information on the specific risks affecting their respective jobs or functions and application and prevention measures applicable to the above mentioned risks.

“Nothing is more important to Redexis than people's safety, health and well-being”



Redexis is aware of the fact that continuous supervision of work centres and their facilities constitute a key aspect to maintain safety and health at work; therefore, it permanently monitors compliance with applicable legal requirements and other requirements subscribed by the organization. The Company acts with society and with its employees in accordance with the prevention criteria arising from the legal and regulatory framework and its Integrated

Management System, both always present regarding prevention at all levels. The above mentioned System is periodically reviewed to adopt measures to continuously improve the effectiveness thereof. During 2019, specific objectives have been carried out in this area, such as:

- Implementation of the **Integrated Health and Safety, Environment and Energy Management System**, in order to comply with the requirements of ISO 45001: 2018, and to successfully approve external audits to obtain the certificate.
- To perform and outweigh the **migration of the OSHA: 18001 to the ISO 45001:2018**, as well as the regulatory inspection audits of the facilities affected by RD840/2015 and the Security Management System (SGS) Test, regarding the UNE 192001-5: 2012 standard.
- Compliance with **Joint accident rates for employees and contractors**, such as the Combined Frequency Index 7.2; the Combined Severity Index <0.24; the number of accidents with sick leave under 15 and the number of fatal accidents of 0.
- To develop training and awareness of psychosocial risks by implementing all actions included in the **2019 Psychosocial Action Plan**.



In 2019, Redexis has adapted the standards of the ISO 45001: 2018 health and safety management standard, thus controlling several performances which are established in the general documents of the Integrated Management System.

In addition, the GEMASST Leadership Committee has been created, in order to reinforce the leadership commitment of the Senior Management in matters related to health and safety and environment. Likewise, the Matrix of Roles and Responsibilities of the Integrated Management System was prepared, defining the functions of each area of the Company in the Management System and quarterly meetings of Safety and Health Committees were held.

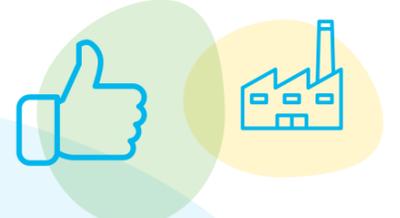
The certification issued by *British Standards Institution* (ISO 45001:2018), a leading standardization body in auditing and certification, further consolidates the Company's commitment and leadership in terms of safety and health. This is currently the most internationally prestigious standard in the field, adapting the system to the High Level Structure which is now including all the new versions of ISO standards.

The above mentioned standard takes a significant step regarding consultation obligations and worker's participation, so that now the latter should be empowered and made part in areas such as the definition of policies, objectives, needs and expectations.

Redexis makes available to employees an internal platform with all the information and documentation regarding the Group's Integrated Management System: energy and environmental awareness campaigns, organizational chart functions in the Integrated Management System, mobility plan, recommendations regarding health and safety and the like.

In 2019, more occupational health and safety inspection visits have been made compared to the previous year, while the number of drills has gone from 63 in 2018 to 76 in 2019.

More health and safety training has been provided compared to the previous year, from 820 hours to 1516 hours, increasing the number of trained employees by 91% and the number of training sessions carried out by 229% (from 37 in 2018 to 122 in 2019).



“Training and awareness in occupational risk prevention constitutes a basic way of working to avoid or reduce work-related health risks.”



Training each employee in job-related prevention and safety is the basic tool to achieve the objective of reducing the number of workplace accidents to a minimum.

ACCIDENT FREQUENCY INDEX (OWN PERSONNEL AND CONTRACTORS)
IFC2019=1,26 (ACCIDENTS WITH SICK LEAVE X10⁶ / HOURS WORKED):



ACCIDENT SEVERITY INDEX (OWN PERSONNEL AND CONTRACTORS)
IGC2019=0,01 (NUMBER OF DAYS LOST X1,000 / HOURS WORKED):



BREAKDOWN OF FATAL, SERIOUS AND MINOR ACCIDENTS (OWN PERSONNEL AND CONTRACTORS):



In turn, in order to assess the adequacy of the action procedures defined in the emergency or self-protection plans, in 2019 the Company carried out several emergency drills, defining what

new preventive and corrective measures should be applied in each case and in each region.

Redexis works continuously to offer its employees a health and

wellness plan, promoting healthy lifestyle habits. Passing the audit as a Healthy Company in 2018, demonstrates the effort to prove its commitment to the workers' well-being.

WORKFORCE



KEY FIGURES	2018	2019
No. of employees (average workforce)	330	368
No. of employees (as of December 31)	336	384
% man/woman	72/28	73/27
Average age of employees	43	44
Years of average work service	10	9
Employees indefinite contract (%)	99	96
Total turnover rate (%)	5,5	12,5
Absenteeism rate (average)	1,7	1,7

Redexis aims to achieve performance excellence, attracting and promoting talent in an inclusive and stimulating environment ensuring the creation of long-term value.

Job creation is an indicator of the Company's growth strategy. At the end of 2019 fiscal year, Re-

dexis had nearly 3000 direct and indirect jobs. The number of the Company's direct employees is 384, with an average seniority of nine years, which shows a positive permanence stability and commitment of its workers.

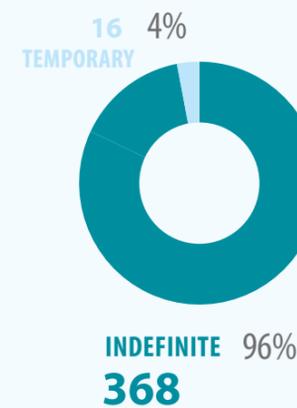
The commitment to quality employment is reflected in the high

percentage of permanent employment, 96%, which demonstrates the stability thereof.

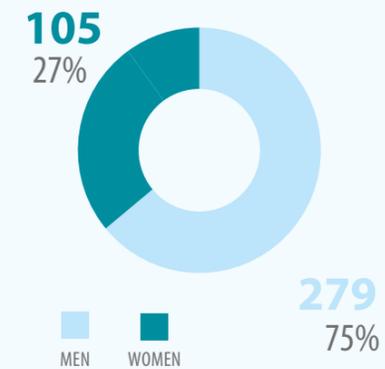
The Redexis team is distributed by different Spanish regions in 17 work centres in order to meet the different demands existing in the different Spanish municipalities.

EMPLOYEE COUNT

HC by type of contract:

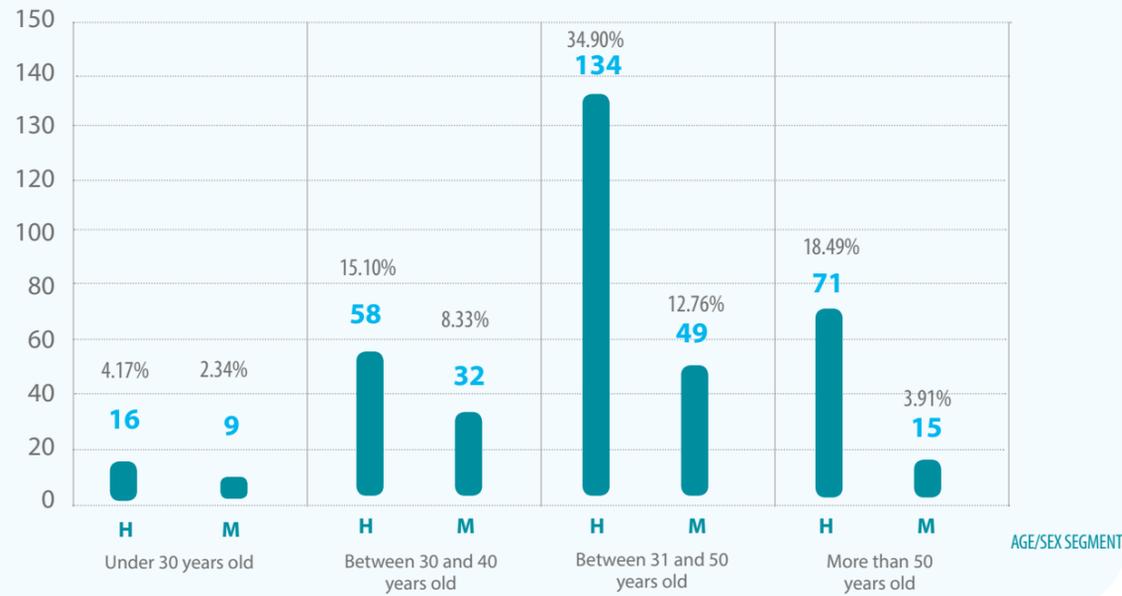


Distribution by sex:

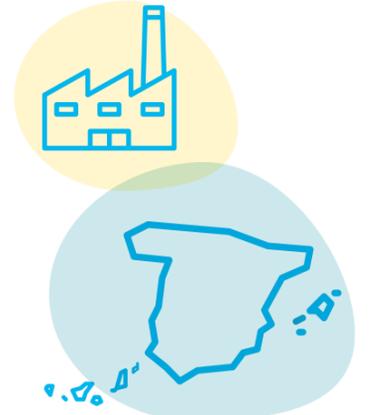
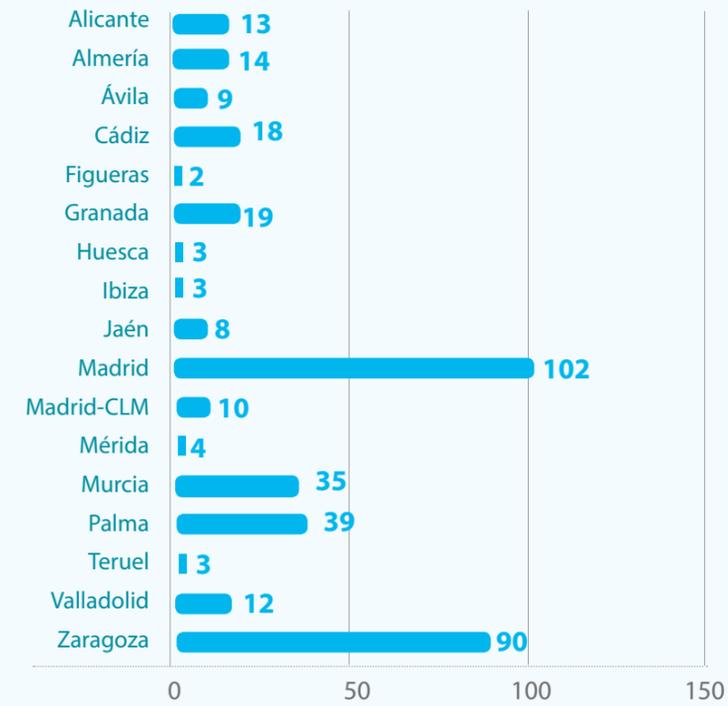




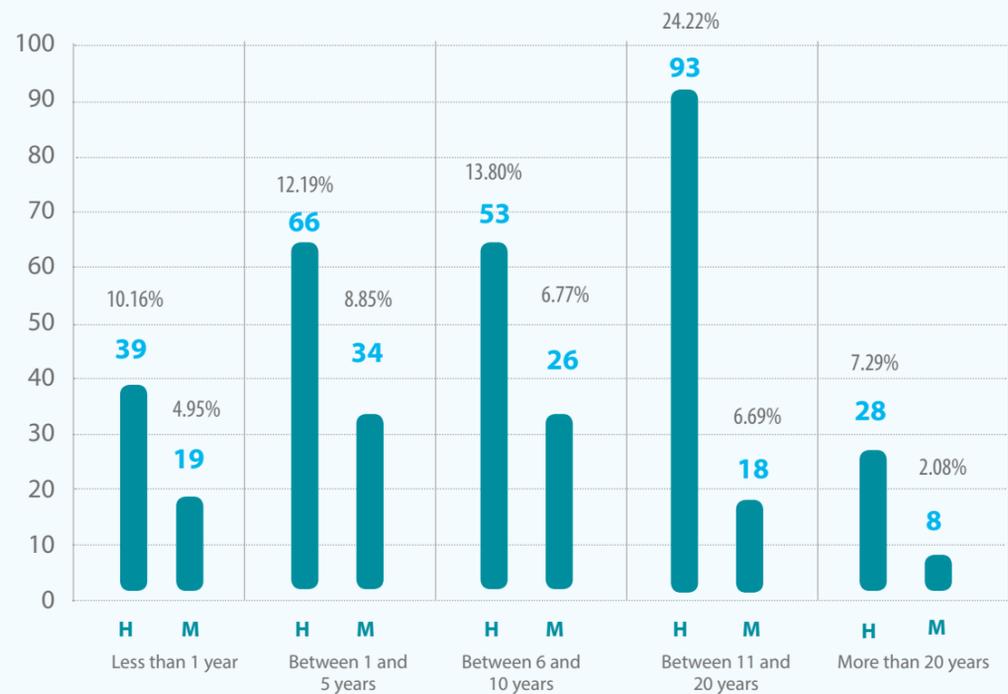
EMPLOYEE COUNT BY AGE AND SEX SEGMENTS



HC BY CENTRE



EMPLOYEE COUNT BY SENIORITY



ABSENTEEISM RATE (AVERAGE)

2018	2019
1.7%	1.5%

= Hours of absenteeism / Total hours of all workers during the year

Hours

9,536



TOTAL TURNOVER RATE

2018	2019
5.5%	12.5%

OUTPUT ROTATION RATE%

3.7%	13.9%
------	-------

NO. EMPLOYEES

2018	2019
330	368

INCREASE IN EMPLOYEE NUMBERS

40	97
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DECREASE IN EMPLOYEE NUMBERS

22	51
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Secure infrastructures

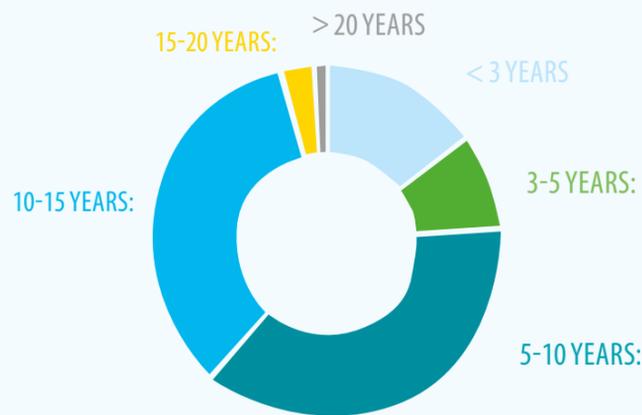
NETWORK CHARACTERISTICS

The Company has young infrastructures. More than 60% of the transmission network has been built in recent years and a significant proportion of the distribution network was built between 2005 and 2008. This means that less money needs to be spent

to keep the asset base up-to-date, while allowing the generation of great security ratios.

“Redexis designs, builds and maintains its own energy infrastructures in order to guarantee supply continuity and security and to render quality, efficient and sustainable services”

AGE OF THE DISTRIBUTION NETWORK:



Transmission pipelines are built with steel pipes, a suitable material for this type of infrastructure capable of operating at high pressures, usually between 45 and 70 bars. In addition, all of them are provided with a highly resistant polyethylene outer covering that, together with active elements to protect against corrosion, contributes to extending the useful life thereof.

The distribution branches connecting the gas pipeline network with the consumption areas are made of steel when the operating pressure is greater than 10 bars and polyethylene for the same or lower operating pressures.

Redexis applies a series of preventive, predictive and continuous improvement actions to its infrastructures in an orderly and

systematic way, as indicated in its asset integrity management plans. The above mentioned plans, based on risk analysis, are aimed at improving maintenance efficiency and management, increasing the useful life of infrastructures and significantly reducing the number of interventions on them.

In the case of steel networks, Redexis has active protection systems against corrosion. Additionally, in its transmission networks Redexis has a cathodic protection remote management system, which allows controlling and modulating said protection in a *Dispatching* way, becoming a pioneer in the application of these techniques in the sector.

The improvement of construction procedures and techniques, par-

ticularly in distribution networks, carried out by Redexis is paying off, so more network meters are built with the same investment. Moreover, the systematic use of high durability and resistance plastic materials extends the networks life, so a long-term asset replacement program is not expected to be necessary.

The acquisition of assets for the LPG distribution has provided Redexis with new opportunities to expand its presence in the gas supply market. In addition to the LPG tanks near the consumption points, channelled LPG distribution networks have been successfully integrated into the Company's management processes.

NETWORK OPERATION

For Redexis, maintenance of its gas facilities is essential to achieve a satisfactory safety, quality and reliability service level and to comply with the regulatory requirements and standards of the sector in which it operates.

It has a Control Centre or *Dispatching* from which the main parameters defining the state of its infrastructures are supervised, such as gas pressure, flow or temperature, as well as the remote access to facilities.

Both the primary and secondary transmission pipelines and LNG plants, as well as the singular points of the distribution

network, are permanently monitored, which allows advancing the proceedings to carry out a Network Operation with an excellent level of security.

NETWORK EXPANSION PROGRAM

Redexis significantly invests in all regions where it has a significant presence and where it has access to the largest number of end users, businesses and industries through its distribution networks.

The Company's distribution network expansion program is aligned with connections in regions benefiting from a new transmission network. The

amount of the investment necessary to expand the distribution network depends on the type of final connection to the network; it may be new homes, new connection points within a building connected to the distribution network, network expansion or new connection points for industrial or commercial users who are not connected to the network.

Redexis internally analyses each investment opportunity through models and carries out a series of tests and responsiveness. Finally, there is an Investment Committee that evaluates and approves it.



SECURITY GUARANTEE

The values that Redexis has embraced in its day-to-day life are reflected in the safety, foundation of the Company's operation and the raison d'être of its Control Centre, which carries out the tasks guaranteeing the safety of people, facilities and supplies.

With the support of the most advanced technology, this centre receives real-time information from the main Redexis facilities, which is analysed by specialized

personnel on shifts 24 hours a day, detecting any incident and mobilizing field response teams, if necessary.

“ The Control Centre Has more than 10,000 signals received from more than 400 installations, 24 hours a day, 7 days a week ”



SAFETY OF PEOPLE

With the aim of ensuring the safety of all the people involved in the gas chain, whether they are internal personnel, collaborating companies or end users, Redexis has several communication centres.

Closely linked to the security of its own facilities, all personnel, both internal and from collaborating companies, should be duly trained and knowledgeable to guarantee their safety in all the work and actions carried out at the Company facilities.

The Redexis Control Centre has up-to-date information regarding the training of all the people who at any given time require access to the facilities, which allows permanent surveillance of these accesses. All personnel is under the obligation to contact this centre to report their intention to access any facility of the Company, and at that time it should be verified that, due to their training and experience, they are authorized; otherwise, access should be denied.

Throughout 2019, Redexis has launched a project to update the access monitoring system which allows a better and faster update of the necessary information.

The Company makes available to all users connected to its distribution networks an Emergency Telephone Service Centre (CAT), with 24x7 services and in permanent contact with the Control Centre, which receives and performs a first classification of emergency services for consumers at their receiving facilities. Likewise, CAT receives any communication from other emergency agencies (police, fire, 112), immediately informing the Control Centre, which manages the resolution of any incident and the security of the facilities.

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

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.



FACILITY SECURITY

Having available up-to-date information on the facilities allows Redexis to supervise its security, reacting and even anticipating any possible anomaly thereof.

The Redexis Control Centre has a SCADA system (*Supervisory Control And Data Acquisition*) which, through different sensors, control units and communication equip-

ment mounted in the field, collects in real time the values and status of the different parameters which define the operation of the Company's main facilities.



SAFETY OF THE SUPPLY

Redexis distribution networks have three main **points of origin**:

- **Delivery points** with the basic transmission network or with distribution networks of other operators.
- **Satellite plant** of Liquefied Natural Gas (LNG.)
- **Storages** of liquefied petroleum gas (LPG).

LNG satellite plants and LPG storage tanks allow distribution in those municipalities in which, due to their geographical location, it is not feasible to be connected to the existing natural gas transmission and distribution networks.

The SCADA system of the control centre allows the reception in real time of the evolution of the levels of the tanks in the main facilities of the Company, together with other operating parameters; thus guaranteeing the correct operation thereof.

In order to guarantee the supply to users connected to the above mentioned, Redexis carries an important logistics function through its control centre. During the COVID-19 health alert, the activity

was carried out in complete normal circumstances and gas supply was guaranteed in all the cities and municipalities in which it operates, with a relevant continuous supply to critical infrastructures such as hospitals. The above mentioned include all public hospitals in the Autonomous Community of Aragón and others such as Can Misses Hospital in Ibiza, the Virgen de la Arrixaca University Hospital in Murcia or the Torrecárdenas Hospital in Almería; as well as various health centres and care homes.

In addition, extraordinary measures have been taken, such as suspending power cuts due to non-payment during the State of Alert and special measures have been adopted to facilitate supplier support.



Service quality

“Redexis focuses on offering users and clients a safe and quality service in order to satisfy their needs”

Redexis works every day to improve the quality of life of its users and customers and to promote the competitiveness of companies which use natural gas. It keeps all of them informed that it is an innovative, efficient, clean and environmentally friendly energy. All this is possible due to its service vocation where users and clients are at the core of their decisions and operations. Natural gas is an energy that efficiently addresses the energy model change in Spain, contributing to environmental objectives of reducing greenhouse gases.

“Investment, quality of service and continued attention are the three pillars on which the Company supports its relationship with the users and clients of its infrastructures”

RESIDENTIAL SEGMENT

Redexis is committed to responding to the sector's new needs and expectations, and develops and implements new artificial intelligence tools to optimise operations and open new possibilities in the creation of value in innumerable contexts.

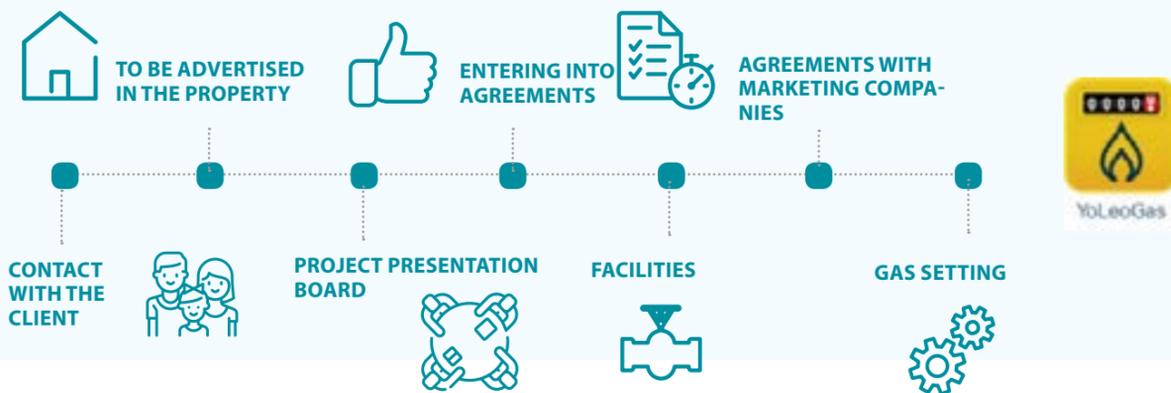
Thanks to the investments made by the Company, during 2019 more than 38,000 new users were

connected. This increase shows the great interest of families to connect to the natural gas network as it is economic energy for generating of hot water, heating and cooking.

In order to make this clean energy available to users, Redexis has capture channels and artificial intelligence algorithms. The latter allow improving efficiency and

commercial activity for those users who may have greater interest in connecting to natural gas networks.

Redexis makes its digital application 'YoLeoGas Multidistribuidora' available to its users to facilitate the gas meter reading, opting for digitisation and a firm commitment to customer service.



In turn, in view of the growing importance in the search for greater reliability, security and convenience for its customers, Redexis

developed the electronic invoice in order to facilitate access thereof, improving productivity, process automation and respect

for the environment. Through electronic invoicing, GLP clients can easily access their invoices and contracts, as well as directly



“Redexis helps its users to improve energy efficiency”

contacting Redexis in case of any queries.

This process has prevented the printing of 485,000 paper invoices. There is a reference regulation prepared by the CNMC, with a resolution dated December 17, 2019,

governing all hiring and billing messaging between agents, making acceptance of the existing electronic format mandatory.

Additionally, and to comply with the requests of Redexis Servicios, S.L.U customers¹, the Company

has developed different digital solutions as a clear commitment to the future and to the way of relating. With a simple model, users can identify their home coverage, home, budget, and appointment settings.

TERTIARY AND INDUSTRIAL SEGMENT

Savings, convenience and reduction of emissions arising from the use of natural gas compared to other fuels constitute an important contribution of Redexis to the

tertiary and industrial sector, as well as to public administrations.

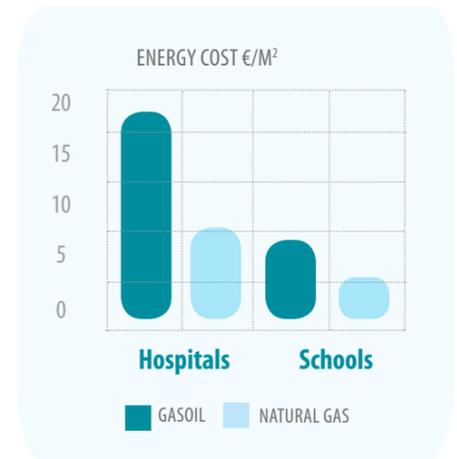
In recent years, Redexis has helped various Spanish compa-

nies and industries to be more competitive, allowing savings in the energy bill between 20% and 50% and in their production processes by using gas.

TERTIARY SEGMENT

Redexis strongly promotes the tertiary market, which includes hotels, educational centres, residences, hospitals, hospitality establishments, sports centres, equipment and facilities of the Administration, among others. The cost of natural gas is much lower than the cost of other conventional energies, such as diesel, and the tertiary sector benefits from this, obtaining great savings on their bills.

In all the provincial capitals where Redexis operates, more than 80% of the large energy consumers are connected to the distribution network, contributing to their competitiveness with considerable cost savings and improved air quality in these cities. In 2019, the Company entered into important framework agreements with public bodies and agreements with the hospitality and tourism sector have continued to be executed so that natural gas is a reality in their facilities.



Source: MITECO, CNMC, Eurostat
Notes: Hospital surface and consumption considered: 75,000 m² and 250 kWh/m²; taking into account school size and consumption: 4.500 m² y 74KWh/m²

¹ Redexis Servicio, S.L.U. is the Company dealing with unregulated services of Redexis Gas, S.A.

FACILITY	OPENING PERIOD	REPLACED ENERGY CONSUMPTION	PREVIOUS CONSUMPTION	KWH / YEAR	NAT. GAS CONSUMPTION (€)	ANNUAL SAVING (€)	ANNUAL SAVING (%)	
Restaurant	All year round	Prop K	3,123	4,112	43,200	2,167	1,955	47.4%
Municipal sports	All year round	Gas I	66,476	53,314	713,950	29,628	23,686	44%
Hotel Laundry	All year round	Gas I	334,990	293,116	3,370,000	174,264	118,852	40.6%
4 (*) Hotel								
228 rooms	Mar-Nov	Prop KGas I	56,246	69,070	789,223	41,790	27,280	39.5%
Elderly Care								
Home Municipal	All year round	Gas I	81,564	56,605	876,000	37,898	18,707	33%
Hospital 122 beds	All year round	Gas I	422,812	314,792	4,541,000	219,184	95,608	30%

Laundry, air conditioning or kitchen services require an effective and efficient fuel which contributes to providing the best possible stay to its customers. Likewise, sports facilities and swimming pools benefit from its application due to its efficien-

cy. Regarding the tourism sector, Redexis provides hotels the possibility to use more resources to render higher quality tourist services.

• Access has been given and practically all the hotels have

been connected over gas distribution networks of large chains.

• The connected establishments are saving up to 40% with the introduction of gas.

INDUSTRIAL SECTOR - BASIC INDUSTRY

Regarding the industrial sector, Redexis helps various industries to improve their production processes through access to natural gas, a more economical and efficient energy. In Spain, the industry consumes around 25% of the country's final energy and is a

fundamental vector for economic growth, competitiveness and job creation.

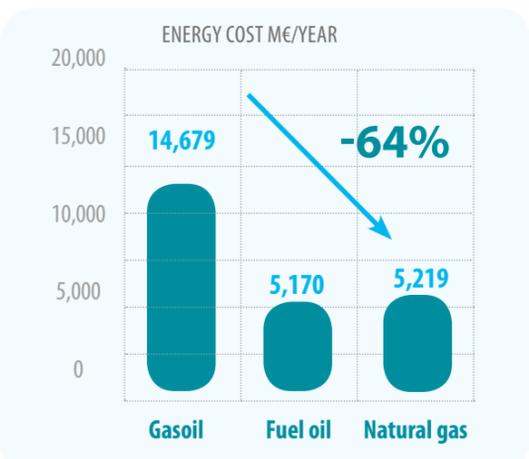
Natural gas is the best option for industries that use furnaces or boilers in their production processes, such as the glass, ceram-

ics and food industries, as well as greenhouses or fertiliser companies.

In the industrial and tertiary sector, gas is cheaper than other fossil fuels and its use represents significant savings in emissions.

EXAMPLES OF SAVINGS IN INDUSTRIES BASED ON REAL CUSTOMERS

METALLURGIC INDUSTRY		MANUFACTURING INDUSTRY		FOOD INDUSTRY	
Current energy	Propane		Fuel		Fuel
Annual energy consumption	180,000 kg		119,000 kg		850,000 kg
Price	1.05 €/kg		1,41 €/kg		1,41 €/kg
Annual energy cost	€189,000		€48,457		€346,120
Conversion	14.02 kWh/kg		11.75 kWh/kg		11.75 kWh/kg
Rate to be applied	2.2		2.2		2.3
Annual consumption with gas	2,524 MWh/year		1,315 MWh/year		9,393 MWh/year
Quantity contracted	7.01 MWh/day/month		3.89 MWh/day/month		42.50 MWh/day/month
Set fee	99.14 €/MWh/day/month		99.14 €/MWh/day/month		75.43 €/MWh/day/month
Energy price	22.63 €/MWh		22.63 €/MWh		22,39 €/MWh
Annual gas cost	€67,117		€34,972		€238,638
Estimated annual savings of 64% of €121,883		Estimated annual savings of 28% €13,485		Estimated annual savings of 31% €107,482	



- 14.500t CO₂ equipment per plant



Model of users and customers service and support

Excellence in customer service is an essential value for Redexis. Therefore, it seeks to achieve maximum efficacy in the operation of its support channels, tools and platforms through a constant innovation and improvement process.

Redexis has a team, organized by sector and territory, with the aim of meeting the needs of users, whether residential, tertiary or industrial, and offering competitive solutions to each of them. In turn, the Company complements its coverage through telephone and internet services.

“It is key to strengthen the users' needs to offer value-added services”

- **Customer Service:** telephone number through which users can send queries and suggestions when necessary.
- **Urgent Care Centre (CAT):** allows Redexis specialists to classify the actions according to the risk or the seriousness of the situation and indicate how to act
- **Web page:** www.redexisgas.es



Redexis manages claims from three different areas: gas distribution, LPG commercialization and distribution and value added services and boiler rental.

At the end of fiscal year 2019, the Company had answered a total of 464,222 calls, with an attention rate of 91%. Likewise, approximately 31,000 emails were received and dealt with.



Supply chain

Redexis tries to improve its purchasing management model to guarantee the maximum possible objectivity in the selection of suppliers and an optimal quality of the contracted services.

Due to the volume of purchases and suppliers, selection processes guaranteeing equal opportunities and free competition are essential. Throughout the supply chain, Redexis seeks to minimize business, technical, environmental, safety and health risks, in ad-

dition to those related to working conditions and ethical behaviour.

In order to promote responsible management in its supply chain, Redexis establishes a contracting process by applying unified and universal contractual conditions for the entire scope of the Company and in which supplier's management becomes vitally important. The process takes into account from the detection of the needs to the material or service reception and covers all the Group Companies and all the employees thereof. Redexis

sets forth certain parameters of positive discrimination for contracting suppliers. Thus, in 2019, energy was purchased with a renewable guarantee of origin for the Group's offices and facilities, where positive discrimination was included in the offer of suppliers that included renewable energy guarantee of origin.

Likewise, positive discrimination was carried out in travel and BPO tenders for bidders who provided a certificate of a Special Employment Centre.

Likewise, the Company maintains a strong commitment to economic development in the regions where it operates, by creating employment in service providers and its auxiliary industry, as well as promoting the capacities thereof. In this sense, workshops with suppliers are organized where they

are shown the requirements to be approved, as well as the description of the purchase process and specifications.

During the health crisis of COVID-19, Redexis has created support facilities for suppliers and contractors in order to help them

continue to maintain their activity with financial security and flexibility. Therefore, extraordinary measures have been implemented, such as payment of travel expenses, purchase of material and advance payment for construction processes in order to provide them with liquid assets.

“Redexis transmits its values and ethical and responsible commitments to suppliers”

The Company has a Registry base (RePro, external supplier classification system) for Spain pursuant to Law 9/2017, of November 9, regarding contracting procedures in water, energy, transport and postal services sectors. Redexis relies on said Registry both for the approval of suppliers and for the monitoring of their documentation and certifications. As a result,

risks, costs and contract compliance problems are reduced.

In order to verify compliance with the specific requirements defined in the contracting bases, Redexis carries out audits regarding suppliers with the largest number of purchases in different types of activities. Non-Compliance detected in the above mentioned

audits result in corrective actions to be implemented by the supplier within the agreed terms between Redexis and the supplier. At the end of fiscal year 2019, 14% of suppliers with a business relationship of less than 100,000 euros were audited in human resources, health and safety, quality management, environment and corporate social responsibility.

“Redexis promotes medium-long-term commercial relationships providing suppliers stability and confidence”



Community

Redexis, as an 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 sector, it strives to boost economic activity, business productivity, energy supply security, employment and the improvement of

the quality of life of people, businesses and industries, allocating part of the benefits to social investment.

“All the people and organizations interacting therewith constitute its social capital, a fundamental element of the Company's sustainable performance”

SUSTAINABLE DEVELOPMENT OF LOCAL ECONOMIES



Job creation



Local purchases



Local investment



Local contribution



Commitment to the environment

Due to the activities carried out, decision-making requires a responsible exercise considering the positions of the affected groups, for which it is essential to enable the participation of institutions, companies and agents in the sector through dialogue between competitors and the au-

thorities involved. Redexis seeks cooperation agreements in a transparent manner, disseminating information on natural gas and promoting participation in projects and initiatives promoting the well-being and progress of the communities where it operates.

To facilitate this dialogue and be part of it, Redexis is present and actively collaborates with different associations, seeking positions consistent with its vision and disseminating information on the operation of the energy infrastructure system. Thus, the Company takes part in:

- **Committee on Safety and Sustainable Development of the Spanish Gas Society (Sedigás)**, supporting its commitment to the development of the gas industry.
- **Gasnam**, association which promotes the use of natural and renewable gas in the Iberian Peninsula mobility. It has launched a new **Hydrogen Working Group that will start operating from now on coordinated by Redexis**. This group will actively work to promote the introduction of hydrogen as a land and maritime fuel, focused on a decarbonized and emission-free transport model.
- **Spanish Hydrogen Association**, in order to encourage the development of hydrogen technologies as an energy vector and to promote the use thereof in industrial and commercial applications.
- **Spanish Hydrogen Association de Aragón**, supporting the development of short, medium and long-term strategic projects in the field of hydrogen and fuel cell technologies, in order to create employment, to generate wealth and to improve the competitiveness of the industrial fabric in the Autonomous Community of Aragón.
- **AEBIG**, to disclose and promote the development of Biogás in the society.
- **Aragón and Extremadura Energy Cluster**, with the mission of promoting integration, creation and strengthening of companies and institutions which are within the energy sector value chain.
- **Madrid Energy Foundation**, dedicated to promoting the increase and improvement of energy efficiency in the Community of Madrid.
- **National Confederation of Associations of Installers and Fluids (Conaif)**, with the purpose to promote the infrastructures of natural gas and facilitate the management of the activity of installers and installation companies in the Autonomous Communities in which it has presence.



CULTURE

The Company has continued to be sponsor of the **Teatro Real**, thus confirming its intention to support the project of this institution and taking part of the Board of Protectors. Likewise, the Company collaborated in the broadcasting of the Opera on the street in more than 150 cultural centres, squares and theatres in Spain.

Likewise, sponsorship with the **Fundación del Cante de las Minas** has been renewed, in charge of organizing the International Festival in La Unión (Region of Murcia), and has continued sponsoring the **Fiestas del Pilar in Aragón**, supporting their cultural activities.



EVENTS AND FORUMS

Redexis is committed to the deployment of clean and renewable energy such as hydrogen or renewable gas. In this sense, during 2019 it took part in several related events, highlighting, among others, the **III Energy Forum on the National Plan for Energy and Climate**, organized by El Economista; the **Renewable**

Gas Day in Spain, organized by Sedigás; el **Forum on Energy Transition**, organized by Diario de Mallorca; and the **Hydrogen Day**, organized by Fundación del Hidrógeno. Likewise, it took part in the **Annual Assembly of the Balearic Transport Business Federation** and the **Sedigás Annual Meeting**.

SPORT AND SOLIDARITY

The Company took part in the race of the Interempresas Challenge **Action Against Hunger** and continued with its sports commitment focused on **children's football**, covering different initiatives to actively participate in the localities where it is present.

PARTICIPATION IN THE COP 25

The Company participated actively in the Madrid Climate Summit (COP25), forming part of the round tables 'Biomethane gas, and hydrogen solutions for sustainable mobility' and 'Renewable gas, transformation and future vector', organised

by Gasnam and Sedigás, respectively.

In addition, as part of this international climate summit, Redexis participated in **The 2019 Climate Law and Governance Day** of the Autonomous University of Madrid.



'REDEXIS COMMITMENT' CHANNEL

From the Redexis commitment communication channel (compromisoredexis@redexis.es), created to publicize CSR initiatives, volunteering, social action, etc., several actions have been carried out with employees to create a sense of belonging and bring the company closer to people.

The Company participated in the 'Operation Kilo' campaign with the Food Bank in 2019, in which Redexis was able to collect 320.4 kilos of food. Additionally, a support and awareness-raising campaign for breast cancer was con-

ducted and collaborated with the Bobath Foundation at the Company's Christmas event.

In addition, from Redexis Commitment, initiatives have been made to bring the Company closer to the family sphere like **Lab Day**. On this day, **all the employees sons and daughters under the age of 14** went to the Redexis facilities

in Madrid and **enjoyed workshops and activities related to energy**, in addition to receiving a didactic talk about the Company and seeing a hydrogen powered vehicle. At the end of the day, children received gifts and a personalised diploma. As this was a non-school day, the activity enabled employees to be reconciled with younger children.



During the first weeks of the COVID-19 pandemic, to help the youngest to reconcile and with

their learning, a series of scientific experiments were launched that boys and girls aged 6 to 14 could

perform from their homes with explanatory texts and videos.

Fundación Redexis



On 12 July 2019, the Redexis Foundation was established with the objective to enhance the social work carried out by Redexis. To this end, the Foundation aims, in general, to promote technological innovation and the development of social, charitable, welfare, educational or cultural works.

In particular, the Foundation will promote the development and well-being of existing social groups in the territories where it operates, with special consideration being given to the promotion of infrastructures that contribute to sustainable development and a cleaner economy.

The administration of the Redexis Foundation is the responsibility of its Board of Trustees in accordance with Article 9 of its founding Statutes, which is made up of four patrons as indicated below. On 14 February 2020, the Board of Trustees agreed to appoint Ms. Estefania Somoza Villar, Manager of the Redexis Foundation.

NAME	APPOINTMENT DATE	POSITION
Mr. Fernando Bergasa Cáceres	12 July 2019	Chairman
Ms. Cristina Ávila García	12 July 2019	Patroness
Mr. Antonio España Contreras	12 July 2019	Patron
Mr. Ignacio Pereña Pinedo	12 July 2019	Patron
Ms. Esther Reyes de Frutos	12 July 2019	Non-patroness secretary

Dimension	SDG	Actions
SOCIAL	1 NO POVERTY	Payment of LPG invoices of the most vulnerable customers who request it. Donation of €10,000 to the Food Bank.
	3 GOOD HEALTH AND WELL-BEING	Financial donation to the Community of Madrid, the Autonomous Community of Aragon and to the SESCAM (Castilla-La Mancha's Health Service) of Castilla la Mancha Government for the purchase of health equipment by the lack of the same due to the coronavirus crisis.
	17 PARTNERSHIPS FOR THE GOALS	Alliances and agreements with the main actors (Governments, Autonomous Communities, City Councils...) during the crisis to offer help and collaboration.

In the context of the health emergency following the COVID-19 pandemic, the Redexis Foundation has helped to alleviate the situation in which some of the most vulnerable groups are going through. For this purpose, several aid lines have been opened by the Foundation, such as the payment of LPG invoices of customers, the donation of 2,000 portable batteries, for the use of patients

admitted to the field hospital installed in the IFEMA fairground, the donation of €50,000 to the Community of Madrid, €25,000 to Aragon and €15,000 to the Health Service of the Castilla-La Mancha government, which will be entirely intended for the purchase of medicines and protective material for health personnel and for patients affected by COVID-19 in hospitals.

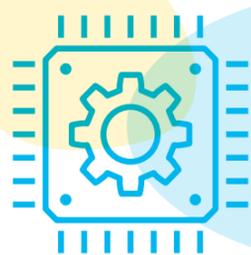
In addition, the donation of €10,000 to the Federation of the Spanish Food Bank has been made to the most affected families by this crisis. With this, the purchase and distribution of food among the 54 Federal Food Banks in the country is ensured, being distributed through 7,216 local and proximity charities and reaching more than one million people in need of assistance.

Innovation applied to the use of sustainable technologies

Redexis is aware of the important role that innovation plays in the energy sector as one of the pioneer Spanish companies in incorporating digitisation mechanisms in the development of their business. The Company has the necessary resources to develop and generate new competitive advantages from the technological innovation field to provide safe and quality products and services, helping to create a more sustainable environment.

“Redexis is committed to innovation, development, sustainability and contribution to the quality of life of the society”

It is essential to respond to the needs of an increasingly global, technological and digitised market. Business innovation is no longer an alternative it is a necessity. Redexis has the necessary resources to develop and generate new competitive advantages from the technological innovation field to provide safe and quality products and services, helping to create a more sustainable environment. In 2019 and in the first quarter of 2020, new techniques have been generated and existing ones developed in the following environments or projects:



- Artificial Intelligence
- Big Data use
- Simual
- Microgrid-Blue
- AutoERM
- Machine learning



“Avant-garde attitude and adaptation to change”

Additionally, Redexis performs strategic projects in the hydrogen and renewable gas environment for the development of these renewable energies, through the application of innovation. In this regard, Redexis is participating in the H2020 HIGGS project, approved in 2019, whose main objective is to cover the knowledge gaps of the impact that different levels of hydrogen could have on gas infrastructures, and it is a co-investor in the Power to Green Hydrogen project along with Enagas, Acciona and Cemex to build a 10 MW hydrogen production plant with an estimated production capacity of 350,000 kilos per year.

Redexis focuses its innovation efforts on **three main strategies**:

- Develop **optimisation and asset management** activities that continuously improve the quality and reliability of gas supply.
- Provide **more efficient services and products** that meet consumers' needs in a sustainable manner.
- Ensure **an adequate level of knowledge** in the Company for the optimum use of the technological environment.

During these last few years, the Company has incorporated new technologies and functionalities that reduce the development processes and represent a great advantage in costs and efficiency, participating in the following projects:



Project	Overview
AEI Simual	Obtaining an information model from an LNG plant for the simulation from the design, planning, execution, operation and maintenance phases using BIM technology tools. The objective is, through virtual reality, to allow the simulation of maintenance and security operations of the installation, having training as the main application of the simulator. This project was chosen in the AEI (Innovative Business Groupings) call of the Ministry of Industry, Commerce and Tourism.
Microgrid - Blue	Development and technological transfer of innovative tools to promote the integration of renewable energies distributed in the form of electrical micro-grids, so that they can operate in a coordinated manner with the different agents of the energy sector. The project was selected in the second call of the INTERREG V-A Cooperation Program Spain – Portugal MAC (Madeira-Azores-Canary Islands) 2014-2020
Autoerm	Design, develop, implement and test a fuel cell in an ERM, extracting hydrogen from natural gas to produce electricity and heat. The objectives of the project are to introduce this technology based on hydrogen and high efficiency generation, to analyse the feasibility of implementing it in a general way in its gas distribution and transmission facilities, as well as analysing the possibility of prescribing it to current and future consumers of its networks. It was approved in the open call for CDTI R&D projects (financing of R&D projects developed by companies and aimed at the creation and significant improvement of production processes, products or services).



In addition, in 2019, the H2020 HIGGS project was approved, which objective is to increase the knowledge about the impact that the different levels of hydrogen could have on the gas infrastructure, its components and its management. It includes the mapping of technical, legal and regulatory barriers, testing and validation of certain equipment, and techno-economic modelling. Redexis participates in all the tasks of this initiative by providing technical support, and specifically, will purchase the necessary equipment for field validation. The project was selected in the 2019 specific Hydrogen H2020 FCH JU (*Fuel Cells and Hydrogen Joint Undertaking*) call which began on 1 January, 2020. Additionally, during 2020 Redexis plans to launch other projects, such as the Cervera 'vortex' transfer project approved by CDTI (Centre for the Development of Industrial Technology), which is in the processing phase. It shall be based on the elimination of self-consumption energy in liquefied natural gas (LNG) plants by applying the vortex technique in the heating and regulation process.

ARTIFICIAL INTELLIGENCE

Redexis is a pioneer in the development and implementation of artificial intelligence in networks, opening up new possibilities for value creation in countless contexts. Using advanced algorithms and analytics, artificial intelligence is able to reveal relevant information that allows to build tools that

optimise decision-making time and generate new growth pathways continuously.

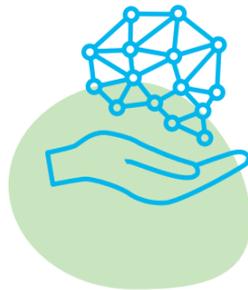
In 2019, the NCAM v3.0 model was developed, which provides continuous improvements in the propensity to gas in real estate forecasting process. This qualitative

leap based on neural networks is now more flexible, efficient, reliable and scalable. This has led to process automation, from the acquisition of data from corporate systems and external sources to the prediction of hiring potential real estate, and has enabled the identification of potential municipalities.

“New predictive models of natural gas demand have been developed to predict consumption and identify the variables that influence consumption”

Applying artificial intelligence to the business makes Redexis a pioneer in the following areas, which have continued to improve in 2019 to increase their efficiency:

- **Customer acquisition**, which has been multiplied x2.
- 20% savings on **network deployment investment**, optimising resources and improving inspection routes.
- Increased levels of **commercial efficiency** by 30%.
- Obtain and process relevant information to **identify patterns**.
- Improve **decision-making** capabilities in a more analytical and proven manner.
- Predict and **anticipate potential incidents** in network maintenance and potential fraud.
- **Prevent risks** and accidents.
- **Reduce environmental impact**.



New predictive models of natural gas demand have been developed to predict consumption and identify the variables that influence the same. Focused on maintenance, a predictive model of cathodic protection was developed in 2019 to ensure good maintenance and protection of pipelines.

Commercial channels have been introduced both internally for the residential sector and externally for the tertiary sector. Additionally, investments have been made in cybersecurity to implement new measures and initiatives for

governance, protection, cybersecurity surveillance and resilience, which were adopted following the last security audit.

Also, home operations mobility processes, periodic home inspections and maintenance operations have been implemented and deployed, mobilising these processes that were previously carried out by hand to improve efficiency. Similarly, a fraud detection model has been developed, using *machine learning* predictive parameters. A priori it is not possible to know who commits fraud

by manipulating the meter, so this mechanism presents a list of the most likely candidates based on previous campaigns, allowing field actions to be more targeted and more successful. This model will feed on the processes that are being produced, consequently, it will improve its effectiveness.

In addition, future improvements to the activation processes are anticipated, transforming the current process into an automatic planning model.

Perspectives 2020



The European Union (EU) actively promotes Europe's evolution toward a low-emission society and updates its regulations to facilitate the investments required for the transition to clean energy. This process is positive for both society and the environment and for the economy and consumers.

As the Spanish Gas Association (Sedigas) points out, the gas sector is prepared to position itself as an engine of present and future to boost the economy, which will necessarily be green, having to promote those productive sectors that generate employment and wealth to the country, in addition

to contribute simultaneously in the fight against climate change.

In this respect, hydrogen and renewable gases such as biomethane stand out, whose momentum represents an opportunity for national technological development that not only reverses a value in economic diversification, but this diversification is oriented toward circular economy and low in emissions. It is estimated that the sector's contribution to the GDP would increment to €472 million by 2030, with a growth rate of 45%. The development of this technology could create between 15,000 and 25,000 total jobs (direct and indirect).

Redexis is committed in the fight against climate change and improving air quality. It is committed to the development of **clean energies** and a **sustainable mobility**, key in a context of low emissions and the natural evolution toward **an efficient economic recovery**.

The company also promotes the development of hydrogen and renewable gas as an ally to achieve the objectives of the 2030 Agenda, bringing value into past investments and into the gas infrastructures that it has already deployed, and it is deploying, in Spain.

STRATEGIC INNOVATION PLAN

Redexis develops its activity through a Strategic Plan that is based on a framework that allows to organise different activities within the innovation line, being this the strategy that serves as a guide. This framework helps Redexis to have a global vision of all innovation activities, prioritise activities in each line and build a fluid process between innovation, strategy and diversification.

Currently, the Company is primarily dedicated to the transportation and distribution of natural gas, but is developing its activity beyond these lines of business. These new lines of business are hydrogen and renewable gases, distributed photovoltaic generation, and natural gas for vehicles, as well as other opportunities that will emerge around the energy sector.





CONTINUOUS IMPROVEMENT CULTURE

The company is committed to continue managing and improving environmental aspects related to its activities through the development of new action plans and new indicators that will help face the climate change and achieve a number of objectives that reduce emissions.

Redexis analyses the perspectives of its stakeholders in order to guide and monitor their objec-

tives, their action plans and their sustainability related practices.

The development of its business strategy implies the development and improvement in the ESG scope. During 2019 as seen throughout this Sustainability Report, Redexis has improved the GRESB and VIGEO Eiris sustainability ratings, both increasing its score, being above the other competitors in the sector. This fact

confirms the continued growth and improvement of Redexis, in matters related to the environment, society and good corporate governance.

Redexis commitment to sustainability is also evident through the credit line signed in 2020, which has again been linked to sustainable indicators amounting to €150 million.



Redexis has transmission and natural gas distribution infrastructures that extend through a great part of Spain. These infrastructures can transmission renewable gases such as renewable hydrogen and biomethane.

Renewable hydrogen, produced from renewable electric energy generation sources, such as wind and photovoltaic solar energy, with the capacity to generate reductions in greenhouse gas emissions in industrial sectors of relevance in our country, such as oil refining, the production of ammonia for fertilisers, steel production and mobility. Renewable hydrogen is a

key factor in the complete decarbonisation of the electricity sector, because of its ability to store large volumes of renewable energy and allows decoupling between electricity generation and demand.

Biomethane is a clean fuel obtained from biogas and can be injected into the gas network. This is an underdeveloped renewable energy in Spain, but with great potential, given the powerful agricultural and livestock farming industry it has.

In this context, Redexis is promoting innovative projects to produce biomethane and inject it

into its natural gas network in collaboration with public administrations, technologists and organic waste processing companies.

The Company is committed to develop low-carbon energy solutions such as self-consumption by boosting photovoltaic energy. The company proposes, to families and industries, an efficient and environmentally friendly alternative with a photovoltaic self-consumption product which provides important savings in electrical power consumption and that offers total control over energy production for a more economical consumption.

About this report

SCOPE AND COVERAGE

This Sustainability Report is the second report published by the Redexis Group, which includes both Redexis Gas, S.A. and its dependent companies. The information coincides with the financial consolidation cycle and covers the period from 1 January 2019 to 31 March 2020.

The contents of this report are based on the results obtained in

the Materiality Analysis, which puts together the most relevant topics for the Group in 2019, and takes into account advanced transparency and corporate communication criteria.

This report reviews and analyses Redexis' activity and results, the vision of its sector, its business model, the company's strategic approach and environmental and

social management, as well as its corporate governance policies

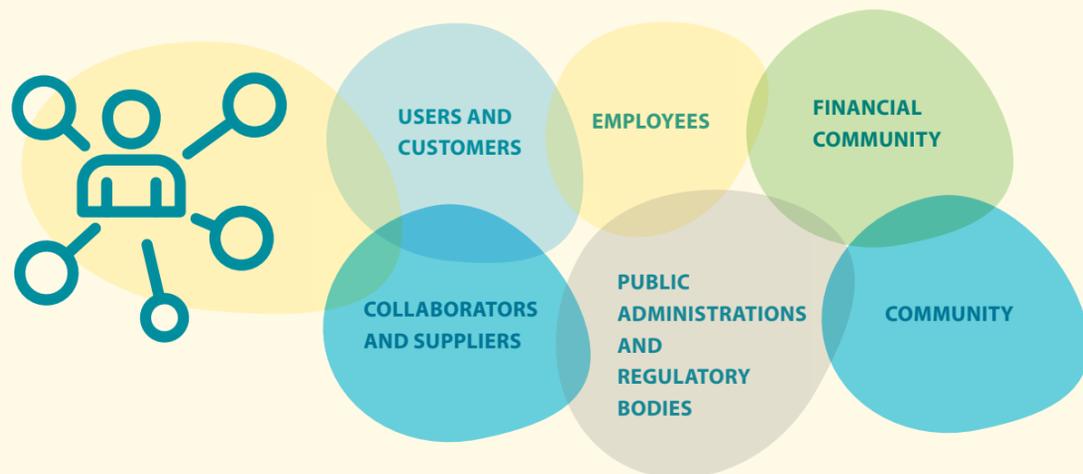
The information contained in this second Redexis Sustainability report responds to the 2019 Progress Report of the UN Global Compact, and includes work carried out by Redexis to contribute to achieve the United Nations Sustainable Development Goals.

OUR STAKEHOLDERS

The current economic and social reality involves new challenges in the dialogue with stakeholders, and it is important to analyse this relationship as a process of continuous improvement and constantly changing.

In this context, Redexis has carried out a materiality analysis through which the following **stakeholders** have been identified:

“ Developing a climate of trust with its stakeholders is a priority for Redexis ”



COMMUNICATION CHANNELS WITH STAKEHOLDERS

Redexis is committed to transparency in market information and strives to ensure open and constructive communication with all stakeholders, studying and creating dialogue and mutual understanding mechanisms.

Users and Clients	<ul style="list-style-type: none"> Corporate website (www.redexisgas.es) Call Centre (CAT) Control Centre Falcon Portal for LPG invoices Web readings App "I read gas"
Employees	<ul style="list-style-type: none"> Employee Portal (Intranet) Training platform (Campus Redexis) Internal complaint channel Mailbox Redexis commitment Prevention of Occupational Hazards and Environment mailbox Internal Energy, Environment and Safety and Health at Work Platform (GEMASST) Management with all the information and documentation regarding the internal management system Healthy mailbox Wellness Platform COVID-19 information mailbox Equality issues mailbox
Financial Community	<ul style="list-style-type: none"> Corporate web: Investors Investors mailbox: investor.relations@redexis.es Personal contact with shareholders, investors, analysts, rating agencies, financial institutions Reports and notes on the Company's activity Supplier portal: proveedores@redexis.es Annual Conventions RePro (Achilles) Personal contact with entities belonging to different areas of regulation (CNMC, Ministry, regional and local agencies, etc.)
Collaborators and suppliers	<ul style="list-style-type: none"> Notifications, requirements and responses with different regulatory bodies Consultations and procedures with different national, regional and local regulatory bodies Gasista System (GTS) Technical Manager
Public administrations and regulatory bodies Community	<ul style="list-style-type: none"> Corporate website (www.redexisgas.es) Corporate communication mailbox comunicacion@redexis.es Press releases Information meetings (interviews) Institutional meetings Corporate and institutional events Presence in business, sectoral, educational and cultural organisations Participation in conferences, forums and seminars Sponsorships in the municipalities where the Company operates

ANALYSIS AND MATERIALITY MATRIX

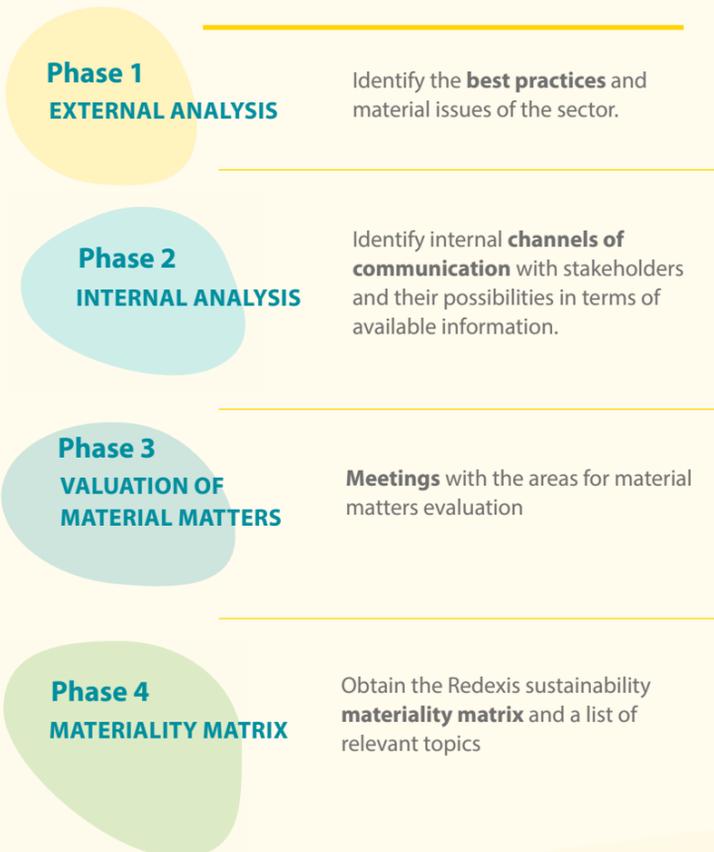
To develop the Redexis strategy it is essential to identify the stakeholders, also defined as the interested parties and/or affected by an organisation's activity, as well as the most relevant issues to them. For this, Redexis conducted a materiality analysis in the first quarter of 2019, through which its stakeholders were identified and

defined, as well as the most relevant issues for these groups.

Thanks to this analysis, Redexis has been able to establish priorities to act on, and make sure that they are aligned with the expectations of different stakeholders.

“The materiality analysis developed by Redexis its focused on those issues of an economic, environmental and social nature that are relevant to its business and its stakeholders”

The methodology used to carry out the materiality analysis is based on the following process:



In turn, this process has identified and assessed the relevance of various material issues that allows us

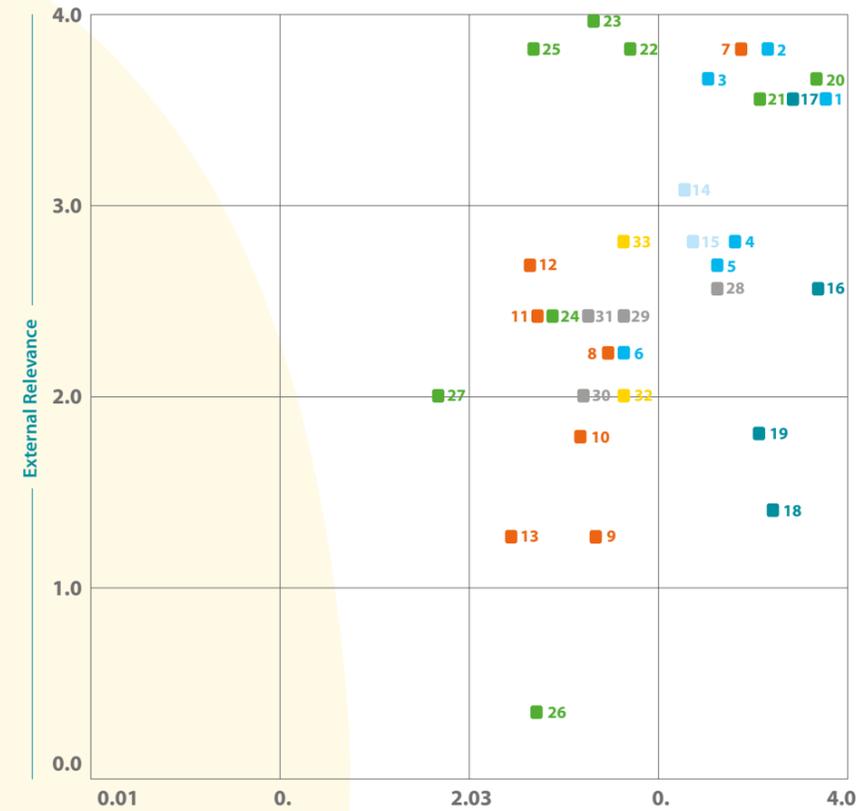
to advance the creation of economic, social and environmental value and ensure that the current

and future needs of stakeholders are met.

“Redexis considers material issues all those that can have a substantial influence on stakeholder assessments and decisions”

As a result of the materiality analysis carried out by Redexis, the materiality matrix was obtained, being this a visual representation with the most relevant topics for the Company and its stakeholders:

MATERIALITY MATRIX



- Corporate governance
- Users and clients
- Environment
- Local communities
- People and talent
- Safe infrastructures
- Suppliers and collaborators

- Regulatory compliance
- Ethics, integrity and transparency
- Risk management
- Responsible taxation
- Good corporate governance
- Integration of corporate social responsibility in business
- Labour health and safety
- Professional development
- Labour loyalty
- Fair compensation
- Healthy work environment
- Diversity and equality (Harassment prevention)
- Labour flexibility
- Service quality
- Complaints resolution systems and customer satisfaction
- Crisis and emergency management
- Industrial safety
- Cybersecurity
- Supply safety
- Adaptation to climate change (external)
- Innovation applied to the use of sustainable technologies
- Establishment of environmental objectives for emissions
- Adaptations to climate change (decarbonisation)
- Establishment of environmental objectives for biodiversity
- Circular economy
- Establishment of environmental goals for ground contamination
- Establishment of environmental goals for water
- Supply chain safety
- Extension of corporate culture to the supply chain (compliance with codes and promotion of policies)
- Audit and supervision systems with sustainable criteria
- Sustainability criteria in the relationship with collaborators and suppliers
- Creation of direct and indirect employment
- Creation of shared value (social investment)

In short, the aim of this report is to value the performance of Redexis in fundamental aspects such as environmental, social, financial and good corporate governance in an objective manner, focusing on the actions carried out during the fiscal year 2019, responding to the expectations of its stakeholders and advancing in its commitment to create value in the municipalities in which it operates.

REDEXIS Contact

information

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Readings:
800 76 05 77

Safety and emergencies:
Redexis puts at your disposal an Emergency Service 24 hours, 365 days of the year, to attend to the actions necessary to guarantee your safety and that of your property, Carrying out operations to open or close gas installations and emergency actions in the event of any safety incident: gas smell, fire or explosion, as stated in ITC-ICG-01 of the Technical Regulations for the Distribution and Use of Gas Fuels approved by Royal Decree 919/2006.

To communicate any urgency, please contact Redexis Emergencies at:
900 924 622

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