

INTEGRATED REPORT

2023



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LETTER FROM THE CHIEF EXECUTIVE

Dear Reader,

The year 2023 has represented a transitional phase for companies in the energy sector, where the viability of renewable gases has become a tangible reality, opening a path of future growth for the Company and consolidating it as a relevant player in the decarbonisation of the economy.

The volatility of gas prices caused by the invasion of Ukraine in 2022 normalized during 2023, with prices below the peaks reached in 2021 and 2022. This situation had a positive impact on

industrial customers and cogeneration. However, 2023 was the second warmest year since 1961, only surpassed by 2022, with an average temperature 1.3°C above the average, which negatively affected domestic demand, offsetting a part of the improvement.

The European Union has published that Spain has the capacity to produce biomethane equivalent to around 13% of the current gas consumption by 2030, corroborating the potential of this renewable gas as a means for sustainable waste management, promoting local economies, and decarbonisation, while being compatible with the current gas infrastructure.

Our strategic plan, aligned with the energy transition principles established by Europe and Spain through the National Integrated Energy and Climate Plan (NECP), is focused on maximizing the value of our infrastructure through the transport and distribution of renewable gases, and in supporting our

customers in their decarbonisation, providing them access to these renewable gases through the development of new networks or connections.

Redexis is a key player in the development of gas networks in Spain, having developed 40% of the new transport networks since 2010. With an average age of 14 years, the Company has modern infrastructure, built and maintained under the highest quality standards, capable of transporting biomethane with minimal investment, and with 95% of these infrastructures suitable for transporting hydrogen with minimal investment.

The Company, with an EBITDA of 162 million euros in 2023, continues to focus on growth oriented towards future value, capturing 3% of new residential customers, reaching almost 773,000 connection points, and contracting 1.3TWh of industrial and tertiary demand during the year.



FIDEL LÓPEZ SORIA

CEO

“The Company has acquired 2 biogas production plants in Almazán and Lorca, with the capacity to produce and inject, respectively, 20GWh and 40GWh of biomethane into the network by the end of 2024. To achieve this milestone, Redexis has developed an internal team and established agreements with companies that complement its capabilities”



Throughout the year, intensive work has been done in preparing processes for the injection of renewable gases into its infrastructure, being pioneers in the implementation of the necessary operational and regulatory processes for its execution. These advances allow us to manage the more than 200 requests received and generate optimal technical offers. Additionally, our reach and influence in rural communities provide us with extensive experience in administrative procedures and dealings with local administrations. Thanks to these capabilities, the company began injecting biomethane into the network in 2023.

Another strategic pillar is the production of renewable gases, where biomethane is already a reality. The Company has acquired 2 biogas production plants in Almazán and Lorca, with the capacity to produce and inject, respectively, 20GWh and 40GWh of biomethane into the network by the end of 2024. To achieve

this milestone, Redexis has developed an internal team and established agreements with companies that complement its capabilities, covering the entire process. This effort allowed the year to end with a broad portfolio of projects, eight of which are already in an advance state of processing. The company's goal is to generate 1.8TWh of biomethane by 2030, displacing part of the fossil gas consumed in the system.

Regarding renewable hydrogen, in July the new company H2 Duero was created to promote the first green hydrogen plant in Castilla y León, where the Company is a partner along with SOMACYL S.A.; and the electrolyser was installed during 2023. Additionally, as part of the H2020 Green Hysland project, we have begun the construction of the first hydrogen pipeline in Spain that has been granted permits to inject green hydrogen into the natural gas network. Within this project, the Company has also signed an agreement with Iberostar to install

a fuel cell in one of its hotels, and the first authorization in Spain was obtained to build the green hydrogen injection point into the network.

As part of its commitment to the energy transition, the Company continues to calculate its carbon footprint, having reduced it by -12% in 2023 compared to the base year 2020. This reduction is the result of an operation improvement plan developed to achieve our decarbonisation goals. The Company expects to reduce its direct Scope 1 and 2 footprint by 50% by 2030, and achieve Net Zero by 2040, avoiding the emission of 400,000 tons of CO₂ into the atmosphere, fully offsetting Scope 1 and 2 emissions.

On the social front, Redexis is committed to diversity and inclusion, with the goal of increasing the number of women in management positions by 50%. Therefore, in 2023, a novel group mentoring program for women was launched, aimed at creating a female support network and developing their

professional development capacities. Additionally, the Redexis Foundation has continued its social action function in the local communities where the Company operates, through social, sports, educational, or environmental projects.

All these advances in environmental and social matters, added to the excellence in governance that is part of the Company's culture, have once again been reflected in sustainability indices. For the second consecutive year, 95 out of 100 points were achieved in GRESB, and the rating in Moody's increased by 2 points to 64 points, continuing the improvement trend of the last five years.

These achievements are the result of the incorporation of our values and mission into the Company's culture, which employees practice daily and reflect in our excellent operations, our sustainable infrastructure approach, and our concern for the quality and well-being of our communities.

Therefore, we continue to advance in the paradigm of the energy transition, achieving our objectives and maintaining the innovative and challenging spirit that characterises us. Thanks to everyone for making Redexis a leading company in the infrastructure sector of our country.

Regards,

Fidel López Soria

Redexis CEO



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ABOUT US



Redexis is an energy infrastructure Company committed to energy transition, economic development and households' wellbeing. Its business model is focused on growth, investment, and value generation in the communities where it operates prioritizing a sustainable and environmentally responsible model.

The Company operates and develops essential gas infrastructure for the competitiveness of the industry and the well-being of households, complemented by the promotion of energy efficiency projects such as biomethane or renewable hydrogen. The Company is firmly committed to promoting renewables gas production projects for its injection into distribution and transmission network, thereby contributing to energy transition, the decarbonization of gas demand and the promotion of the circular economy.

More than 90% of its activity is regulated and is oriented towards providing an optimal, safe and efficient and high-quality service to the end user through the operation and maintenance of our gas infrastructures.

Since 2010, the Company has maintained a strong commitment to the communities where it operates, having invested over €1,600 million in infrastructure development. These investments have enabled it to become the second-largest operator of natural gas transportation and distribution in Spain, as well as in Liquefied Petroleum Gas (LPG). Its national presence extends to 12 autonomous communities, 39 provinces and 929 municipalities with a network of 12,132 kilometres that delivered 31TWh of gas to 772,906 supply points in 2023.

During 2023, the Company developed its first two biomethane injection points into its natural gas distribution

networks, marking the first milestone in materializing the over 2000 injection requests received.

Additionally, in 2023, the Company acquired two biogas production plants, which will be ready to transform into biomethane in 2024. These plants are part of a portfolio of 40 similar plant development projects. Along with promoting biomethane, the Company has reinforced its commitment to hydrogen by making investments to build Spain's first hydrogen pipeline and injection point (Green Hysland project in Mallorca) and to deliver its first green hydrogen production project (project in Garray, Soria).

All of the Company's activities are conducted in Spain, with a total of 327 direct employees distributed across offices in Madrid, Zaragoza, Huesca, Teruel, Valladolid, Ávila, Linares (Jaén), El Puerto de Santa María (Cádiz), Roquetas de Mar (Almería), Granada, Alicante, Palma (Balearic Islands), Ibiza (Balearic Islands), Murcia, Mérida (Badajoz) and Figueras (Gerona).



1,600 MEUR
in infrastructure
development



12
autonomous
communities



327
employees



2.1 OUR MISSION AND VALUES

OUR MISSION

The Company works in line with its mission to contribute to the development of local communities where it operates, integrating new technologies and energy sources, always committed to sustainable development, good governance and social impact.



To bring the energy of the future closer to our communities, committed to their progress and well-being.

OUR VALUES



Ambition

We seek new challenges and goals to overcome.



Excellence

We always work in agile, reliable, an efficient manner to achieve the highest quality.



Integrity

We do what is right and we are transparent.



Client

We anticipate and provide solutions to our clients' needs.



People

We work as a team, caring for each other, respecting each other and developing our talent.



Environment

We commit to the local development of our communities and the protection of the environment.

2.2 KEY FIGURES

MILESTONES



Exists in 929 municipalities across 39 provinces through 12,132 kilometres of owned networks.



Owns natural gas transmission and distribution network with 51 pipelines extending a total of 1,645 kilometres, and a distribution network of 10,486 kilometres.



Serves 772,906 supply points, of which 656,369 are for natural gas and 116,537 for liquefied petroleum gas.



Owns 28 Compressed Natural Gas (CNG) refuelling stations for mobility (CNG and LNG).



Two biogas production plants that will be ready to inject biomethane into the natural gas distribution network by the end of 2024.



Initiation of environmental processing for 8 biomethane production projects developed with own resources.



327 direct professionals and nearly 2,000 indirect jobs.



Investment of 80 million euros during 2023, carrying out an expansion plan focused on natural gas and promoting renewable energy sources.



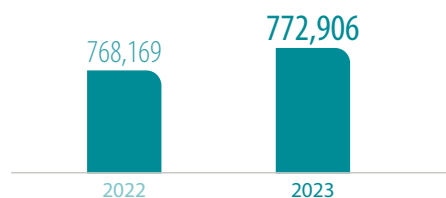
Revenues of 261 million euros and a gross operating profit of 162 million euros in 2023.



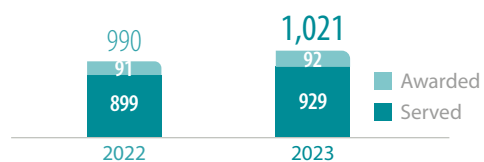
KEY OPERATING FIGURES



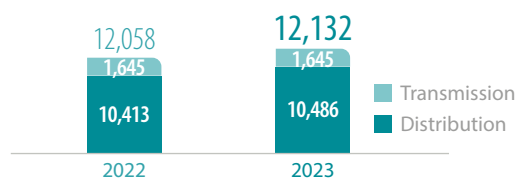
Supply points (CPs)



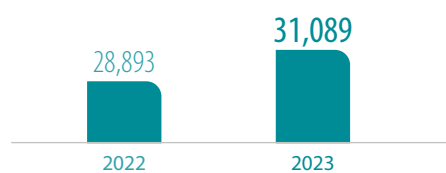
Municipalities



Network (km)



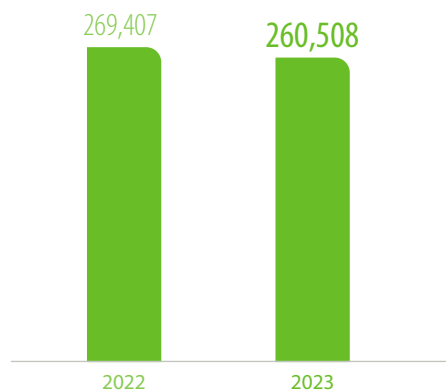
Distributed energy (GWh)



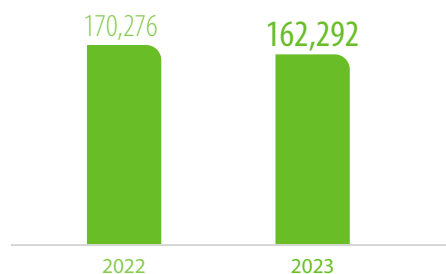
KEY FINANCIAL FIGURES



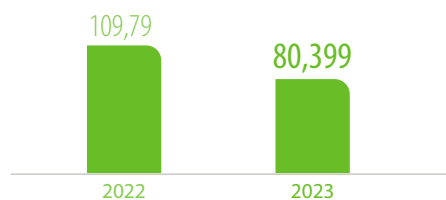
Income



EBITDA



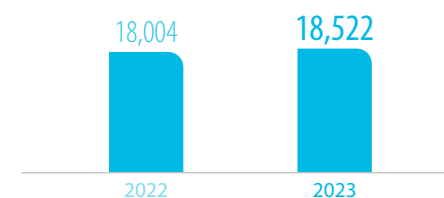
Investments



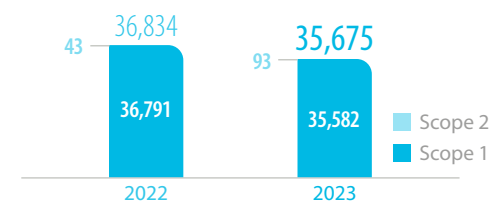
KEY NON-FINANCIAL FIGURES



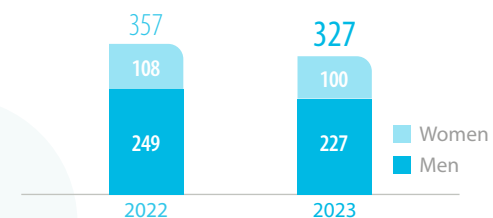
Total energy consumption (MWh)



Carbon footprint (tn CO2eq)



Direct employment



Combined accident frequency index

2022	1.83
2023	1.41



Combined accident severity index

2022	0.02
2023	0.02

2.3 STRUCTURE AND CORPORATE GOVERNANCE

GROUP STRUCTURE

The Company's share capital is completely subscribed and paid up. Prior to December 20, 2023, the capital belonged and was held by the following shareholders in the percentages shown below:



**Chase Gas
Investments Limited**

33.33%

Subsidiary of the USS
pension fund.

atp=

**Arbejdsmarkedets
Tillægspension**

33.33%

ATP pension fund



CNC / GT Fund

**Guotong Romeo
Holdings Limited**

33.33%

Company owned by the Guoxin
Guotong Fund LLT and CNIC
Corporation Limited
investment funds

In order to give effect to the principle of separation of activities legally established for regulated activities and those dedicated to the production of gases, and in compliance with the provisions of article 63 of Hydrocarbon Law 34/1998, of 7 October, a **Corporate Reorganisation** process was carried out in 2023, which consisted of the incorporation of a newly created Company called **Redexis Energía, S.A., in order for the latter to act as the holding Company** of the business group. In addition, the shares of Redexis, S.A. were simultaneously allocated to the newly formed holding Company. Both operations were completed on 20 December 2023.

As a result of the Corporate Reorganisation, the shareholding of Redexis Energía S.A. now consists of the three partners described above in the same shareholding as they held in Redexis S.A.U., that is, each of them holding 33.33%, 33.33% and 33.33%, respectively, of the shares of the new Company, so that the shares of Redexis S.A.U. are now wholly owned by its parent Company Redexis Energía S.A., which is therefore the sole shareholder of Redexis S.A.U., which has become a single-member Company.



Therefore, as of 31 December 2023, the Redexis Group is made up of 19 companies, as follows:

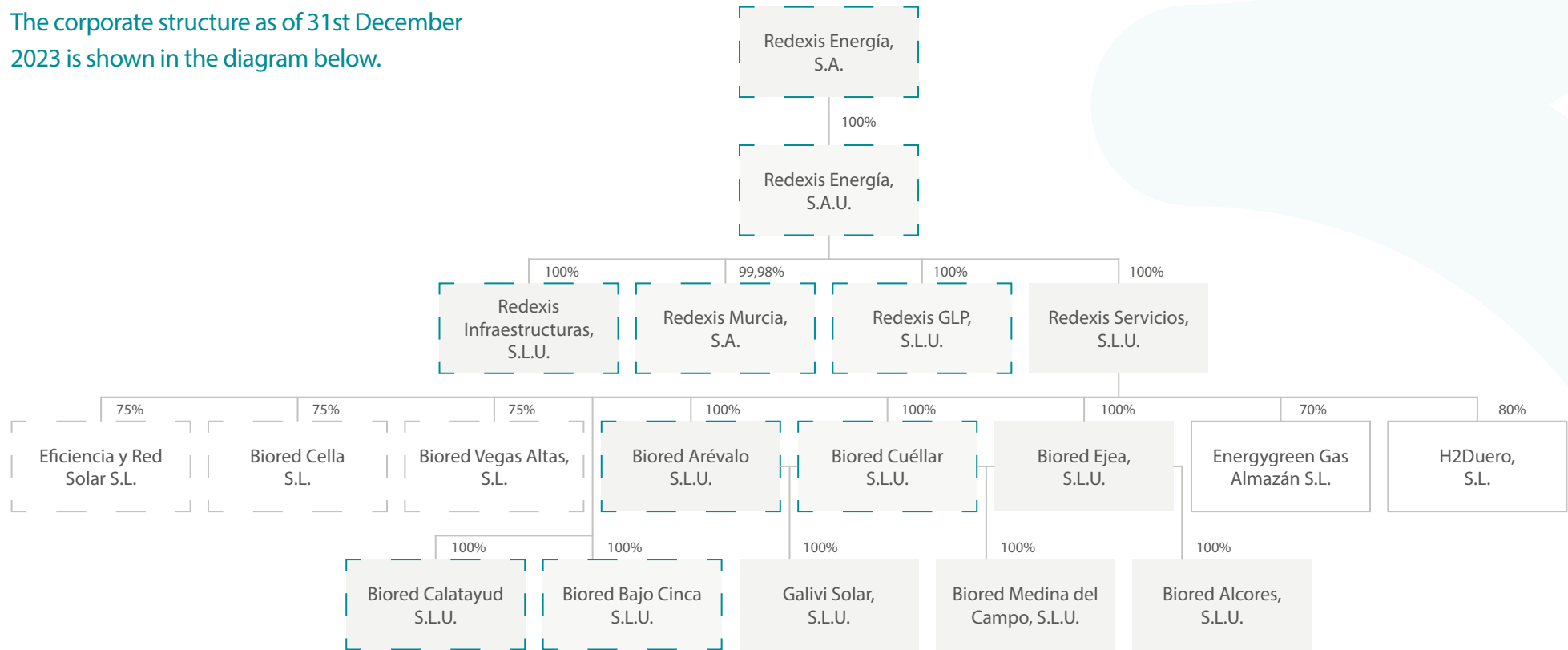
- **Redexis Energía, S.A.**
New parent Company of the Group with holding Company functions and sole shareholder of Redexis S.A.U.
- **Redexis GLP, S.L.U.**
Devoted to the retail sale and supply of liquefied petroleum gas. It is 100% owned by Redexis S.A.U.
- **Redexis, S.A.U.**
Head of the regulated business engaged in the distribution and transmission of all types of gas and oil-based products for domestic, commercial and industrial purposes, the use of any by-products, and activities related with the above. It is 100% owned by Redexis Energía, S.A.
- **Redexis Gas Murcia, S.A.**
Devoted to the distribution and secondary transmission of natural gas, and the distribution and sale of liquefied petroleum gas through pipelines. It is 99.98% owned by Redexis S.A.U.
- **Redexis Gas Servicios, S.L.U.**
Devoted, among others, to the planning, analysis, project, execution, assembly and operation of infrastructures, in addition to the management, advisory, and corporate services linked to the energy sector. It is 100% owned by Redexis S.A.U.
- **Redexis Infraestructuras, S.L.U.**
Devoted to the regasification of liquefied natural gas, natural gas transmission and storage and related and ancillary activities. It is 100% owned by Redexis S.A.U.



Redexis Gas Servicios, S.L.U. holds 75% of the shares of Eficiencia y Red Solar, S.L., a Company engaged in the production, storage and commercialization of energy from renewable sources, such as photovoltaic facilities, by means of or through the corresponding installations, whether directly owned or owned by third parties.

In addition, Redexis Gas Servicios, S.L.U. holds stakes in different percentages in various companies focused on investment in assets related to renewable gases (biomethane or hydrogen). The investee companies and their corresponding percentages are as follows: **(i)** BioRed Arevalo, S.L.U. with 100%; **(ii)** BioRed Bajo Cinca, S.L.U. with 100%; **(iii)** BioRed Ejea, S.L.U. with 100%; **(iv)** BioRed Cuellar, S.L.U. with 100%; **(v)** BioRed Medina del Campo, S.L.U. with 100%; **(vi)** BioRed Calatayud, S.L.U. with 100%; **(vii)** BioRed Alcores, S.L.U. with 100%; **(viii)** Galivi Solar, S.L.U. with 100% by way of sale and purchase agreement; **(ix)** BioRed Cella, S.L. with 75%; **(x)** BioRed Vegas Altas, S.L. with 75%; **(xi)** H2Duero with 80%; **(xii)** Energygreen Gas Almazan, S.L. with 70%.

The corporate structure as of 31st December 2023 is shown in the diagram below.



There are also two entities connected to the Group:



Redexis Gas Finance B.V, a Company devoted to debt issuance on capital markets. It has the same shareholders, and in the same percentage as Redexis, S.A.



The **Fundación Redexis**, is an entity devoted to the promotion of technological innovation aimed at energy transition, to enhance social work and promote the development of local communications through social, cultural, informative and sports projects.

BOARD OF DIRECTORS

/ Redexis Energía, S.A.

Name	Date of appointment or most recent re-election	Category of board member	Position
Joaquín Coronado Galdos	20 December 2023	Non-executive	Chairman
Fidel López Soria	20 December 2023	Executive	Deputy Chairman and Managing Director
Li Bo	20 December 2023	(proposed by Guotong)	Director
Liu Yuan	20 December 2023	(proposed by Guotong)	Director
Niels Konstantin Jensen	20 December 2023	Nominee Director (proposed by ATP)	Director
Soren Alverde Holm	20 December 2023	Nominee Director (proposed by ATP)	Director
Gavin Bruce Mer-chant	20 December 2023	Nominee Director (proposed by Chase)	Director
Maria Georgina Del-lacha	20 December 2023	Nominee Director (proposed by Chase)	Director
Ignacio Pereña Pinedo	21 December 2023	-----	Secretary and Non-Board Member

/ Redexis, S.A.U.

Name	Date of appointment or most recent re-election	Category of board member	Position
Joaquín Coronado Galdos	10 November 2022	Non-executive	Chairman
Fidel López Soria	1 January 2022	Executive	Deputy Chairman and Managing Director
Li Bo	14 July 2021	(proposed by Guotong)	Director
Liu Yuan	16 September 2021	Nominee Director (proposed by Guotong)	Director
Niels Konstantin Jen-sen	23 May 2019	Nominee Director (proposed by ATP)	Director
Soren Alverde Holm	20 May 2021	Nominee Director (proposed by ATP)	Director
Gavin Bruce Mer-chant	24 July 2017	Nominee Director (proposed by Chase)	Director
Georgina Dellacha	24 May 2022	Nominee Director (proposed by Chase)	Director
Ignacio Pereña Pinedo	19 March 2013	-----	Secretary and Non-Board Member



MANAGEMENT COMMITTEE

Name	Position
Mr. Fidel López Soria	Chief Executive
Mr. Ignacio Pereña Pinedo	Secretary General and Secretary of the Board of Directors
Mr. Borja Polo Baños	CFO, Director of Strategy, Business Development and Sustainability
Mr. Marcos Abio Calvete	Director of Operations
Mr. Diego Sánchez Muslera	Director of Engineering, Bids and Execution
Mr. Miguel Mayrata Vicens	Director of Renewable Gases
Mr. Javier Migoya Peláez	Director of Expansion
Ms. Susana Lorenzo de la Orden	Director of Corporate Resources
Ms. Estefanía Somoza Villar	Director of Corporate Communication, IR and Social Impact
Ms. Mireya Martínez San Martín	Director of Internal Audit

PROFESSIONAL PROFILE OF THE NON-EXECUTIVE CHAIRMAN **MR. JOAQUÍN CORONADO GALDOS**

Over the course of his professional career, Joaquín Coronado Galdos has worked in the energy, utilities, telecommunications and technology sectors at companies such as Abengoa, EDP and Ono, where he has held a variety of executive and directorial positions. From 2008 to 2015 he was a partner at PwC, where he advised the firm's clients on M&A transactions and operational and financial restructuring processes. In addition, as a professional entrepreneur he has headed up the development of a wide variety of projects, creating companies such as Altán Redes in Mexico, and Podo, a digital company for the marketing of electricity, gas and home services, and he is currently heading up Build to Zero, a company that is developing a technology for energy storage. In addition to working in Spain, Joaquín Coronado has also worked in the USA, Latin America and Portugal. He has a degree in Industrial Engineering from the University of Seville and an MBA from San Telmo Business School. He has been appointed to the board of a number of companies operating in the energy and infrastructure sectors.



PROFESSIONAL PROFILE OF THE MANAGING DIRECTOR **MR. FIDEL LÓPEZ SORIA**

Fidel López Soria graduated as a Mining Engineer from the Universidad Politécnica de Madrid and the École Nationale Supérieure des Mines in Paris, having completed an MBA at MIT - Sloan School of Management.

From 2007 he worked for the Ferrovial Group, performing duties in the Services and Airports divisions. At Ferrovial Services he was Managing Director of Broadpectrum, the division's Director of Development and a member of the boards of Amey, Tube Lines and Swissport. At Ferrovial Airports he was a member of the boards of HAH and AGS, Commercial Director at Heathrow Airport and Managing Director of the Airports Division at BAA.

Fidel López Soria had also previously held various positions at Enel and worked as a consultant at McKinsey&Co.



Significant resolutions adopted by the Board of Directors of Redexis Energia in 2023

In 2023, the Board of Directors held 2 meetings on 21 December, both of which were duly convened, and which were principally concerned with:

- Distributing responsibilities among the members of the Board (appointing the Chair, Deputy Chair and Secretary and Non-Board Member),
- Appointing the Managing Director,
- Creating (i) the Audit and Risk Committee and (ii) the Appointments and Remuneration Committee, and appointing their members and chairs.

All of the board members were present at both meetings, as was the Secretary and Non-Board Member, meaning that they were 100% attended.

Significant resolutions adopted by the Board of Directors of Redexis in 2023

During the 2023 financial year, the Board of Directors held 14 meetings. It is noteworthy the commitment of the Board members in the performance of their duties, with a high level of participation and attendance at the meetings with was 99.10% during the year.



Existing committees

Redexis Energía and Redexis S.A.U. Board of Directors have the support of two committees:



Audit & Risk Committee

The Board of Directors agreed to set up the Audit & Risk Committee on 25 October 2018 on a voluntary basis, as there is no legal obligation to do so. It has three members:

- Mr Soren Alverde Holm.
- Ms Georgina Dellacha.
- Mr Liu Yuan.

Ms Georgina Dellacha was appointed chairman of this committee and Mr Ignacio Pereña Pinedo was appointed as its secretary.

This Committee did not hold any meetings in relation to Redexis Energía during 2023. With regards to Redexis S.A.U., in 2023 the Committee held 3 meetings.



Appointments and Remuneration Committee

Though not legally obliged to do so, the Board of Directors agreed to set up the Appointments and Remuneration Committee on 25 October 2018. It has three members.

- Mr Niels Konstantin Jensen.
- Ms Georgina Dellacha.
- Mr Li Bo.

D. Niels Konstantin Jensen was appointed chairman of this committee and Mr Ignacio Pereña Pinedo was appointed as its secretary. Members of the committee serve for a term of 3 years and are eligible for re-election.

This Committee did not hold any meetings in relation to Redexis Energía during 2023. With regards to Redexis S.A.U., in 2023 the Committee held 5 meetings in 2023.

03

OUR BUSINESS MODEL



3.1 MAIN STRATEGIC AREAS AND PRIORITIES

The Company has a strategic plan aimed at boosting and developing infrastructures to speed up the energy transition in Spain, fully aligned with the Integrated National Energy and Climate Plan 2021-2030 (PNIEC) which is part of the European strategy to attain carbon neutrality by 2050.

The Strategic Plan envisages investments that will enable growth in all business segments and revolves around three fundamental axes:



Renewable gas transmission and distribution, adapting infrastructures to maximise the potential for biomethane injection into the grid, while developing green hydrogen transmission infrastructures, mainly associated with hydrogen valleys.



Production of renewable gases to achieve a zero-emission, more sustainable and environmentally friendly energy source, through biomethane and green hydrogen production plants.



Support for the energy transition of its customers, through the development of infrastructures, photovoltaic installations, and energy efficiency.



The Company continues to pursue a strategy that places sustainability at its core, advocating for a sustainable business model, exemplary governance and a clear social vocation. The Company's Strategic Plan contributes, among other goals, to reducing our clients' emissions, improving their economic competitiveness, ensuring supply continuity and focuses on achieving the following sustainable development objectives:



Reducing CO2 emissions

aligned with European directives and the Paris Agreement, with a comprehensive approach to our operations along with the development of renewable projects, offsetting up to 400 k tonnes of CO2 and with a commitment to be NetZero by 2040.



Development of local and regional economies,

through local biomethane and green hydrogen production projects, which will create over 1,000 direct and indirect jobs.



Advancing social goals

through the Redexis Foundation, reducing inequalities, improving energy efficiency, and assisting those most in need. It is planned to increase social spending in order to undertake new actions in the territories.



Increase in the weight of **ESG-based objectives** and enhancement of Corporate Governance control activities.



Increase the presence of women in management and positions of responsibility.



During the year 2023, the Company has reinforced its commitment to sustainability by **including several ESG-related objectives within the corporate goals that govern variable compensation.** The first objective, with a weight of 7.5%, consisted of a composite goal comprising various projects, including improving the score in the company's annual ESG ratings or developing a methodology to incorporate ESG criteria into decision-making related to the company's investments. The second, with a weight of 5%, was linked to a combined objective of Safety and Health indicators, including the frequency rate, severity rate and days lost due to absence.



All these actions are encompassed within the Company's commitments to sustainability, as outlined in its Sustainability Policy, which covers all spheres of its activity. This commitment includes economic, environmental, social and health responsibilities, efficient energy management, and the quality and excellence of services.

3.2 MARKET SITUATION

Despite the geopolitical tensions and energy price pressures experienced during 2021 and 2022, the fundamental of natural gas remain unchanged as the traditional fuel that combines the greatest convenience of use with a lower carbon footprint for industrial heat, residential heating, and mobility.

In 2023, the significant global increase in fuel and raw material prices triggered by geopolitical tensions following the Russian invasion of Ukraine in 2021 was partially reversed. As a result, the price of natural gas in the Iberian market (MIBGAS), which reached historical daily and annual highs in 2022 (225EUR on August 30 and 99EUR annually), decreased significantly in 2023 to an average of 39EUR although still far from the 15 EUR reached in 2019.

Despite this partial reversal, the adverse price context and some regulatory decisions offer the past three years have negatively impacted the production decisions of Spanish cogenerations and industry, leading to temporary production stoppages, delays in investments decision and even permanent closures. Similarly, in the mobility sector, international logistics chain tensions and adverse

price conditions have slowed the rapid growth previously experienced by LNG heavy mobility.

The Company expects the positive trend of natural gas price reduction to continue in 2024, allowing for the full recovery of industrial activity and the decision to replace more polluting fossil fuels.

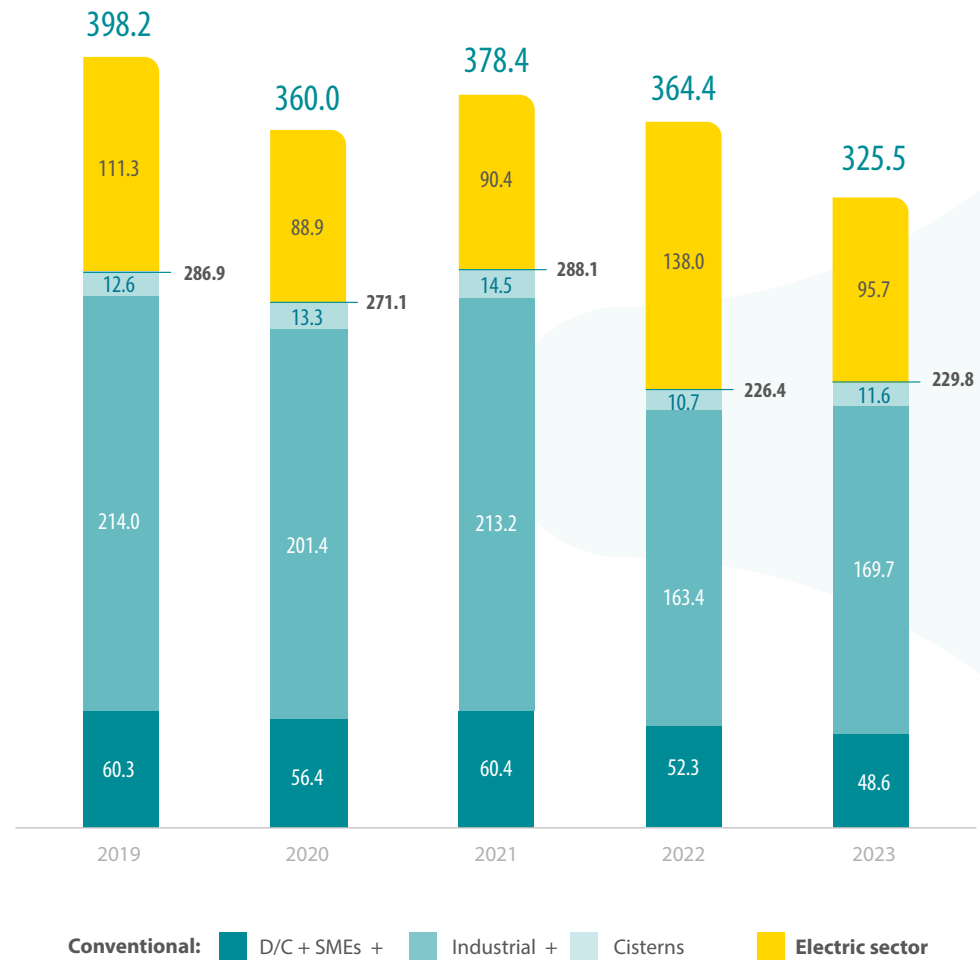


/ Sector demand

The following graph shows the year-on-year evolution of the industrial gas demands index published monthly by Enagas GTS.



The factors mentioned above are reflected in the following graph, where the improvement in consumption in the industrial sector can be observed when compared to 2022 consumption, although still far from pre-pandemic levels. However, this improvement does not offset the lower consumption in electricity generation, which has returned to pre-pandemic levels, reversing the situation of 2022, where low wind and hydraulic generation led to higher electricity generation from natural gas.



Europe is promoting various regulations and regulatory developments linked to the energy transition within the framework of the Green Deal and the fit-for-55 package. One of the levers identified to achieve decarbonisation goals is energy efficiency, and in this context, the Energy Efficiency Directive (Directive (EU) 2023/1792) was approved in September 2023. Despite some interested messages observed in the media, neither this Directive nor the one published in 2024 concerning energy efficiency in buildings, bans gas boilers. The documents make some references to boilers burning fossil fuels, but since boilers can burn renewable gases such as biomethane, they will not be subject to any limitations by these directives.

In the context of European and national energy policy, the Company expects to remain a key player in promoting renewable gases in Spain. To this end, it will continue its efforts initiated in 2023 and maintain its active participation in regulatory development for the full integration of hydrogen and biomethane production into the gas value chain.

REGULATION

The natural gas sector is a **highly regulated sector**. As a result, changes in the applicable regulations may have a significant impact on the sector and each of the players that operate within it.

REMUNERATION FRAMEWORK FOR REGULATED ACTIVITIES



Distribution

The remuneration system for natural gas distribution is based on a parametric formula linked to growth in supply points and the volume of energy distributed. Additionally, the entry into new non-gasified municipalities is incentivised through additional remuneration aimed at extending natural gas networks nationwide. The current model also includes incentives for connecting new industrial customers and supply points for natural gas service stations.



Transmission

The remuneration system for transmission is asset-based and established through a formula that distinguishes between investment remuneration (depreciation and financial remuneration) and operation and maintenance remuneration, which includes a part calculated through standard values and another linked to productivity and efficiency.



Liquefied Petroleum Gas (LPG)

The piped LPG business has both the wholesale purchase price and the final consumer sale price regulated, ensuring that the distributor's margin is also regulated.

In this regard, particular mention should be made of the regulatory framework for the natural gas sector in Spain, which is based on Hydrocarbon Law 34/1998, which was in turn implemented by Royal Decrees 949/2001 and 1434/2002, among others. The first of these regulates third-party access to gas facilities and establishes an integrated financial system for the natural gas sector, while the second regulates transmission, distribution, sale and supply activities and the authorisation procedures for natural gas facilities.

Article 63 of Hydrocarbon Law 34/1998, of 7 October, establishes the principle of separation of activities between companies carrying out any regulated activities of regasification, basic storage, transmission and distribution and those carrying out deregulated activities (production or commercialization).

The principle of separation of activities seeks to avoid conflicts of

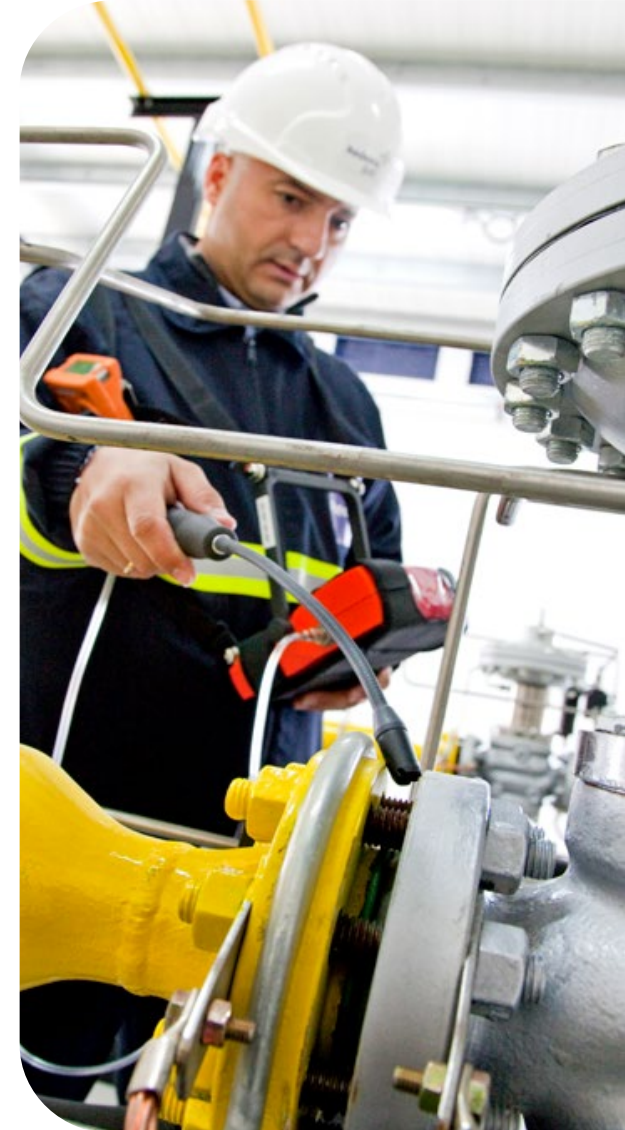
interest between the owners of the infrastructures through which energy is transmitted (regulated activities), and those who produce or market this energy (liberalised activities), while the relationship between both types of activities must be governed by a neutral, transparent and objective third-party access regime established by regulation.

As Spain does not have natural gas fields with a significant capacity, practically all the natural gas consumed has historically been imported from other countries, so that natural gas production activity nationally has been unrepresentative. However, technological developments, environmental objectives at EU level (the REPower EU Plan approved by the European Commission in 2022 includes a target of 35 bcm of biomethane production in the European Union by 2030), and the fact that Spain has been recognised by the European Union as the fifth EU country with the greatest potential

for biomethane production, are leading to an exponential deployment of renewable gas production projects that will make it possible to decarbonise consumption supplied from the natural gas grid, taking advantage of the autonomy and security of supply provided by the grid, and without users having to make new investments.

This is why new business opportunities are emerging in the sector, and companies interested in participating in the new renewable gases production activity must adapt their structures to the aforementioned principle of separation of activities between the regulated activities of regasification, basic storage, transmission and distribution and production.

With regard to regulated activities, over the years, as the sector was gradually liberalised, the aforementioned Hydrocarbon Law was amended on numerous occasions. One particularly important amendment was introduced





by Royal Legislative Decree 8/2014 of 4 July, which approved urgent measures for growth, competitiveness and efficiency, and this was subsequently passed by the Government and published as Act 18/2014 of 15 October, approving urgent measures for growth, competitiveness and efficiency.

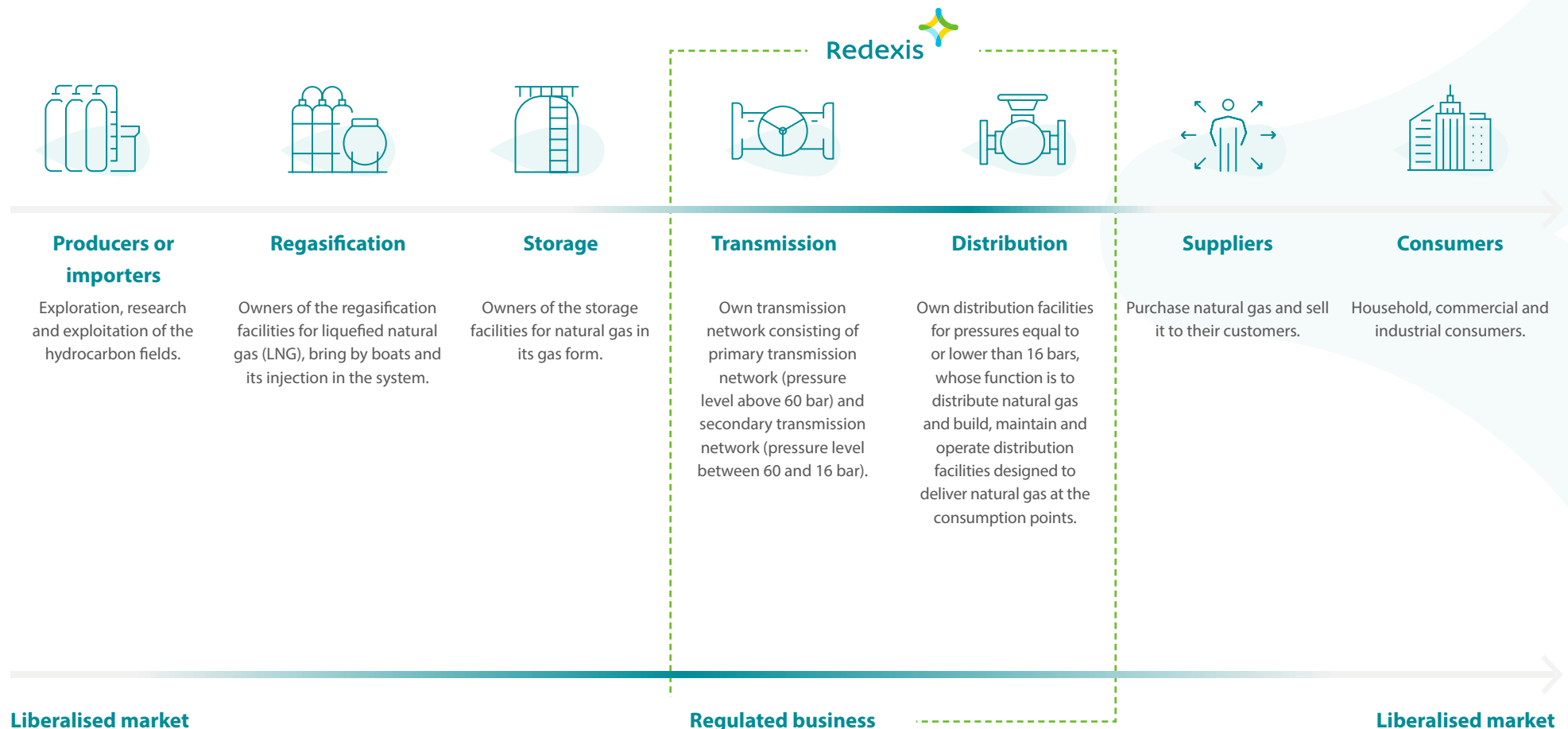
Under Royal Decree-Law 1/2019, reforms were introduced to the framework for competition in the gas system, bringing the powers of the National Commission on Financial Markets and Competition (“CNMC”) into line with the requirements arising from EU law in relation to Directives 2009/72/EC and 2009/73/EC of the European Parliament and of the Council, of 13 July 2009, concerning common rules for the internal market in electricity and natural gas. Among these reforms, worthy of mention is the attribution of powers in favour of the CNMC regarding the establishment of methodologies for determining tolls and remuneration of the regulated

activities, including the setting of their values. Therefore, since the entry into force of the aforementioned Royal Decree-Law, the CNMC has had the power to implement these measures, though as regards the establishment of new methodologies to calculate remuneration for regulated activities, these are applicable from 1 January 2021, since the first six-year regulatory period that was established in the said Act 18/2014 ended. In this regard, from 2019 onwards, the CNMC worked on the preparation of a series of Circulars that defined the methodologies for the remuneration of the regulated activities performed by the Company in the gas sector (Transmission and Distribution), and after being approved and published in the Official Gazette of the Spanish State (“BOE”), these became applicable from January 2021.

3.3 VALUE CHAIN

The Company plays a fundamental role in the natural gas value chain, participating from the transmission of the natural gas from the delivery points of the primary network to its distribution to the final points of consumption (households, industries, or tertiary clients).

For households and businesses, access to gas through the Company's infrastructure contributes to competitiveness, ensures continuity of supply, enables the introduction of technologies that improve energy use and will allow them to decarbonise through renewable gases.



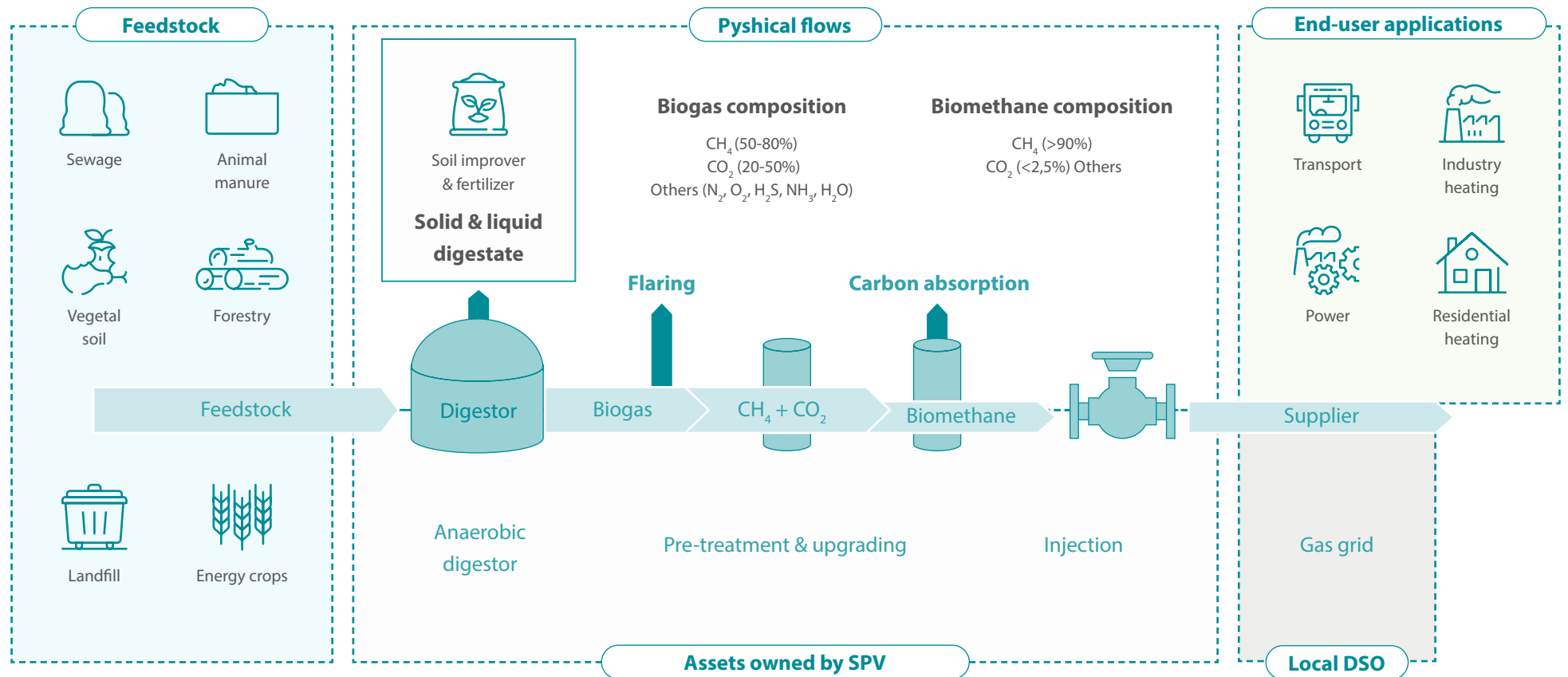
In the realm of renewable gases, biomethane (biologically derived natural gas with the same characteristics as fossil-based natural gas) is the fuel with the highest degree of technical and commercial maturity. Its production, from the treatment of organic waste

generated by industrial and human activity, prevents the direct emission of methane naturally produced by the waste into the atmosphere, a gas with a contaminating effect 28 times greater than Co2. Its final consumption occurs without the need to adapt

transmission or distribution networks or the final combustion equipment of industries and households, reinforcing its convenience of use.

Within the biomethane value chain, the Company not only proposes the

promotion of injection points that connect production plants with the gas networks but also the promotion of its own production plants.



3.4 OUR BUSINESSES

3.4.1 NATURAL GAS

Natural gas is an efficient alternative that makes it possible to reduce emissions in sectors as important as heavy mobility and industry, in addition to achieving financial savings in customer bills.

The Company builds, operates and maintains its own transportation network to provide millions of people with access to natural gas. This network is made up of high-pressure gas pipelines, which transport natural gas from the backbone network to industrial centres, power stations or distribution networks, in accordance with current legislation and regulations.

The pipelines for the transportation phases connect to the distribution networks, which have a smaller diameter and withstand different pressures. In some cases, the distribution networks are connected to an LNG plant. The Company also works in distribution - the last stage of

the process that culminates in the gas reaching the point of consumption. The Company builds, operates and maintains the necessary facilities to supply natural gas and allows third party access. This activity is also regulated.

As of December 2023, the Company has commissioned its two first biomethane injection points in its natural gas distribution networks in Olvega and Lorca.

/ Natural gas data

	Supply poings		Distribution network (km)		Municipalities served		Transmission network (km)	
	2022	2023	2022	2023	2022	2023	2022	2023
Andalucía	80,089	80,957	1,723	1,736	58	58	294	294
Aragón	247,877	250,763	2,003	2,014	72	74	559	559
Islas Baleares	117,186	117,250	1,361	1,366	18	18	181	181
Castilla y León	46,700	47,936	738	747	48	49	360	360
Castilla - La Mancha	11,477	11,673	225	228	15	15	83	83
Comunidad Valenciana	19,067	18,779	463	464	18	18	103	103
Región de Murcia	102,895	102,143	2,094	2,099	31	31	65	66
Extremadura	9,598	9,811	189	189	3	3	0	0
Comunidad de Madrid	1,319	1,347	38	45	2	2	0	0
Cataluña	15,703	15,710	147	147	4	5	0	0
TOTAL	651,911	656,369	8,980	9,034	269	273	1,645	1,645



3.4.2 LIQUEFIED PETROLEUM GAS (LPG)

During 2023 the Company maintained its development plans in the LPG network, allowing households and tertiary clients to connect to piped LPG, improving their continuity of supply. During 2023 no additional inorganic acquisitions were performed, but the Company do work on the integration of the clients acquired in previous years, process expected to continue during 2024.

/ LPG data

	Supply poings		Distribution network (km)		Municipalities served	
	2022	2023	2022	2023	2022	2023
Andalucía	17,390	17,416	141	143	98	101
Aragón	28,840	29,272	643	654	213	213
Islas Baleares	12,474	12,221	38	40	44	44
Castilla y León	8,753	8,703	94	94	138	150
Castilla - La Mancha	8,196	8,337	85	88	75	80
Comunidad Valenciana	11,152	11,135	110	111	46	51
Región de Murcia	14,728	14,630	260	261	26	26
Extremadura	5,892	5,932	13	14	52	52
Comunidad de Madrid	5,161	5,142	37	37	40	44
Cataluña	3,616	3,693	11	11	59	60
Navarra	494	494	0	0	30	30
La Rioja	-438	-438	0	0	1	1
TOTAL	116,258	116,537	1,433	1,452	822	852



3.4.3 VEHICULAR NATURAL GAS (VNG)

Vehicular Natural Gas, i.e. the gas used as a fuel for vehicles, is a clean, economical and sustainable alternative for mobility that is enjoying serious growth thanks to the boost given by companies as a way of opening up a place in the mobility sector for carbon neutral fuels such as biomethane, which could replace VNG without the need for changes either to infrastructure or to the vehicles that currently run on VNG.

Today, the Company operates 28 refuelling stations in the regions of Murcia, Madrid, the Balearic Islands, Aragón, Castilla-León, Extremadura, Castilla La Mancha, the Basque Country, Galicia, Andalusia and Catalonia. In 2024, the Company plans to continue rolling out refuelling stations across the country, covering the main transmission corridors both in Spain and outwards into the rest of Europe, as well as servicing public transport fleets (mainly buses and refuse vehicles), with a view to reducing CO2 emissions

and subsequently decarbonising these fleets with biomethane. The Company is already doing this in the Taxi Cooperative refuelling station with the Zaragoza council transport fleet, which supplies CNG to some ALSA buses, redeeming CO2 emissions with the purchase of biomethane source certificates (1.5 GWh/year) with growth in 2024.

In 2023, the Company deployed the refuelling station for Valoriza located in Barcelona as part of the contract signed with the Company Valoriza in 2022 to supply natural gas vehicles to its refuse fleets in that province, thus extending our territorial scope to the Autonomous Region of Catalonia.

During the year, work began on another refuelling station for Valoriza in Madrid and the gas refuelling station for Urbaser in Denia, both of which are part of the contracts signed in 2022 with the two companies for their refuse fleets, which are expected to be commissioned in 2024.

Also in relation to the issue of mobility, the Company is a member of GASNAM, the platform of companies that support Sustainable Mobility (which has signed up to the Sustainability Pact), and the Spanish Hauliers Association (*Asociación de*

Cargadores de España), which brings together the country's most important goods hauliers, with the aim of strengthening their value proposal for sustainable mobility and the decarbonisation of transport.

/ Location of gas stations





BioredLorca

3.4.4 BIOMETHANE

Biomethane is a clean gas that is produced from renewable sources and is completely equivalent to natural gas. It is obtained from biogas using an “upgrading” purification process which improves the percentage of methane in the mixture. Among the benefits offered by Biomethane is the fact that it strengthens the circular economy by taking advantage of waste and transforming it into energy, combined with the support provided by the implementation of rural development projects in crop and livestock farming environments. The Company is promoting innovative initiatives for the production of biomethane and its injection into its own natural gas networks, in collaboration with governmental authorities, technologists and organic waste management companies.

In July 2023, the Company **acquired the BioRed Almazán plant** (Soria), acquiring the corresponding shares in **Energy Green Gas Almazán**, in which it owns a 70% stake. This plant currently

produces biogas for self-consumption, as well as meal and fats from animal by-products not intended for human consumption. The aim of this acquisition is to upgrade the facilities through rebumping and transforming the plant’s production process from biogas to biomethane, being able to produce 19 GWh/year for injection into the network.

With this plant, the Company is taking another step forward in its commitment to energy transition, local energy production and the circular economy, as it will bring clean gas to the energy system and contribute to the sustainable management of agricultural and livestock waste.

In addition, at the end of this year, the Company acquired the **BioRed Lorca** plant (Lorca, Murcia), which is already producing biogas and for which a grid injection point has being built. This plant will consume about 124 tonnes of waste per year and produce about 40 GWh/year.

These acquisitions are not the only driving force behind the Company’s biomethane production in 2023, as the Company has been working on identifying and generating a portfolio of Green Field projects across Spain. Throughout 2023, the Company has identified 20 of these opportunities. Progress has been made significantly on 8 of them, which are distributed across the following regions: Aragón, Castilla y León and Extremadura.



The Company’s objective during 2024 is to adapt the facilities of the plants purchased for the production of biomethane and injection into the grid while advancing in the processing and construction of these Green Field projects, which are expected to start producing biomethane from 2026 onwards.

3.4.5 RENEWABLE HYDROGEN

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

In July 2023, the new Company **H2 Duero** was created with the aim of promoting the first green hydrogen production plant in Castilla y León. The Company took 80% of the capital, with the remaining 20% held by SOMACYL, S.A. (a public Company of the Castilla y León Regional Government that specialises in renewable energy and energy efficiency projects). The plant will be located in Garray (Soria) and has received environmental authorisation from the Department of the Environment, Housing and Territorial Organisation for the production of hydrogen. As part of this project, the plant's electrolyser was already installed in 2023.



In 2023, **construction work also began on Spain's first hydrogen pipeline as part of the H2020 Green Hysland** project financed by Europe as per the following image to be able to inject hydrogen into the natural gas grid. This consortium project addresses the deployment of a fully integrated and functioning renewable hydrogen ecosystem on the island of Mallorca. The Company was also the first in Spain to obtain authorisation from the Spanish Ministry for Ecological Transition and the Demographic Challenge (MITECO) to build the injection point as part of this project. Also within the framework of this project, it has signed an agreement with Iberostar to install a fuel cell at its Bahía de Palma hotel in Mallorca, which will be the first hotel in the world to carry out this type of integration.



This project has received funding from the Fuel Cells and Hydrogen 2 Joint Undertaking (now Clean Hydrogen Partnership) under Grant Agreement No 101007201. This Joint Undertaking receives support from the European Union's Horizon 2020 Research and Innovation programme, Hydrogen Europe and Hydrogen Europe Research.



3.4.6 ENERGY EFFICIENCY SOLUTIONS

In addition to these projects, the Company has other projects pending development:

100 HRS: The Company and Air Liquide have formed an alliance in order to deploy up to 100 hydrogen filling stations around Spain by 2030. The stations will be strategically placed at the main logistical centres, such as Madrid and Barcelona, as well as along the principal transport routes that link Spain with the rest of Europe, the Mediterranean and Atlantic corridors.

Hydrogenizing BCN: The Company is in charge of developing the necessary infrastructure and building and managing the hydrogen filling stations that are planned for various locations within the Barcelona metropolitan area, including at the property owned by Butransa, one of the largest logistical operators handling containers in the Port of Barcelona.

As a promoter of renewable and sustainable forms of energy, the Company is developing solutions based on photovoltaic solar energy, an efficient and environmentally friendly product both for private households and for industry that offers control over energy production and results in cheaper costs for consumers.

During 2023, a total of 5.75 MW has been connected thanks to the new projects contracted during the year and the year before, reaching a total installed capacity of 24 MW since 2021. Besides, an agreement was signed with the Escolapios and Salesianos schools to carry out photovoltaic self-consumption projects at their facilities in different locations across

Spain, thus contributing to their energy sustainability and reducing their carbon footprint.

Furthermore, during the year, sizeable photovoltaic self-consumption projects were carried out, such as those at Bioforestal del Mediterráneo and Cooperativa del Campo San Miguel, contributing to the energy efficiency of these industrial customers and offering them an energy solution that also helps them to improve their sustainability ratios and reduce their carbon footprint.

Under the Agreement signed by the Company and Cepsa for the commissioning of the first **global photovoltaic energy network** at

service stations, which involves the installation of photovoltaic panels across Cepsa's network of refuelling stations in Spain and Portugal, the Company completed the installation of almost 200 self-consumption photovoltaic facilities at service stations. The panels will supply electricity to the service stations during the day and feed any surplus energy into the distribution network.



Solutions based on photovoltaic solar energy, an efficient and environmentally friendly.



3.5 INTERNATIONAL ACCLAIM

The Company's strategy is linked to sustainable development throughout all the areas in which it operates, which has led to its recognition by a number of **ratings agencies** that monitor environmental, social and governance (ESG) practices, such as GRESB and Moody's ESG Solutions (formerly Vigeo Eiris).



In 2023 the Company was once again awarded a five-star ESG rating, the highest awarded, in the GRESB sustainability rate, thus maintaining its rating from the previous year and demonstrating its long-standing commitment to sustainability. The Company has maintained the same score year-on-year, reaching a score of 95.2 out of 100, which placed it above the average for businesses in the sector.



This international Company (formerly **Vigeo Eiris**), the leader in CSR and sustainability ratings, classified the Company as "advanced" in 2023, based on its performance in the area of ESG in 2023. This is the highest rating awarded and exceeded the previous year's score by two points, this time reaching 64. The Company has obtained ratings that are above the industry average in a range of indicators, which bears witness to the Company's commitment to sustainable development.



As a comprehensive energy infrastructure company, the Company plays a central role in the regions in which it operates, and their sustainable development is a fundamental objective of its strategy.

Since 2014, it has been a member of the United Nations **Global Compact Spanish Network**, and it is therefore committed to achieving the Compact's sustainable objectives. It thus contributes to the consolidation of this global project through its activities and contributes to the SDGs that constitute the 2030 Agenda.

04

ECONOMIC – FINANCIAL ASPECTS



4.1 ECONOMIC SUMMARY 2023

/ Financial data

	Unidad	2022	2023
Income	000 EUR	269,407	260,508
Regulated Income (Distribution)	000 EUR	106,677	104,585
Operating Income	000 EUR	27,301	27,071
Regulated Income (Transmission)	000 EUR	59,086	52,374
GLP Sales	000 EUR	40,492	39,851
Other income	000 EUR	21,568	22,250
Self-constructed non-current assets	000 EUR	14,284	14,377
Gross result from operating activities (EBITDA)	000 EUR	170,276	162,292
Margin		63.2%	62.3%
Margin (excluding LPG effect)		70.6%	70.6%
Capex	000 EUR	109,179	80,399
Net result for the year (NR)	000 EUR	28,362	17,665

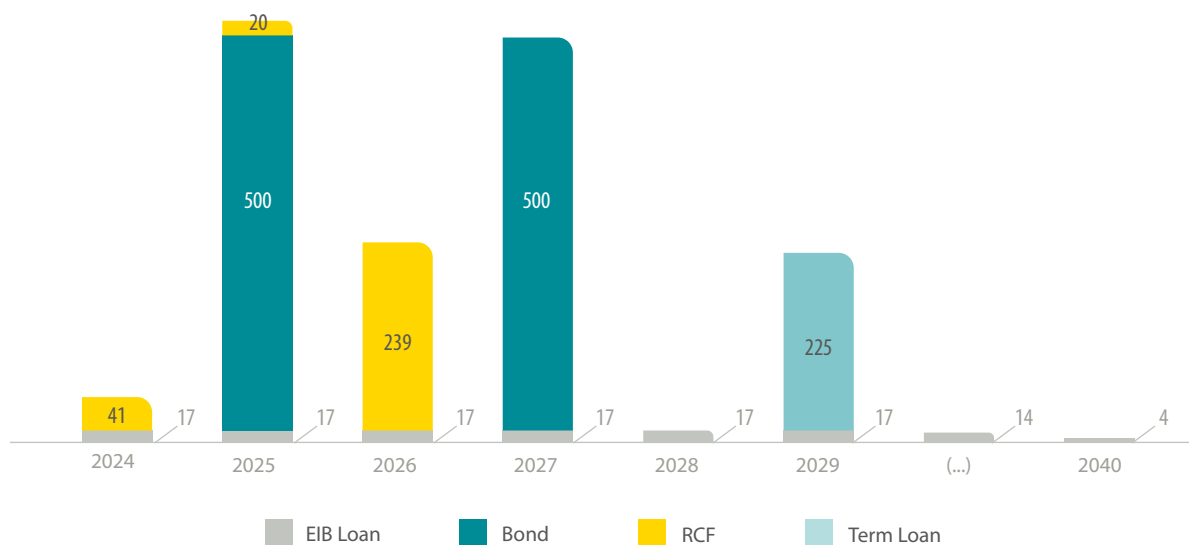
The Company's revenue primarily comes from the remuneration it receives from the gas system for its natural gas and LPG distribution and transmission activities, which allow it to recover the investment made in these assets. In 2023, revenue amounted to 260.5 million euros.

The gross operating profit in 2023 (EBITDA) reached

162.3 MEUR

4.2 DEBT STRUCTURE

/ Maturity profile (€m)



The company's financial policy is based on active management of the company's debt and cash with the objective of maintaining a solid liquidity position with a long-term debt profile that allows it to support the company's strategy, while maintaining an investment-grade rating at all times.

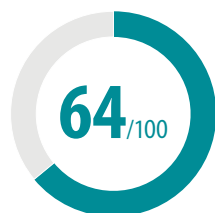
	Facility	Drawn	Undrawn
Bonds	1,000.0	1,000.0	0.0
RCF	300.0	0.0	300.0
Term Loan	225.0	225.0	0.0
BEI Loans	244.4	244.4	0.0
Others	3.7	3.7	0.0
TOTAL DEUDA	1,773.1	1,473.1	300.0
Cash & Equivalents		92.3	
NET DEBT		1,380.8	

Figures in €m, 31 December 2023.

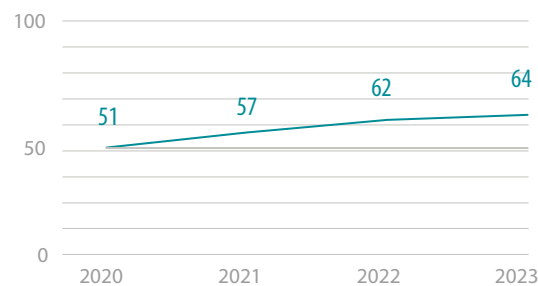
MOODY'S

Sustainability cuts through every area of the Company's strategy and is applied to all its areas of action. At the end of 2023, the Company held €525m in sustainable debt, with an interest rate linked to improvement of environmental, social and corporate governance parameters measured by Moody's ESG Solutions (formerly Vigeo Eiris).

/ ESG Overall Score



/ Historical Performance



The Company is assessed annually by Standard & Poor's credit rating agency. In September 2023, S&P confirmed the company's BBB- investment-grade credit rating with a stable outlook. This rating supports the Company's strategy and financial health for the coming years and confirms its financial stability and resilience.



€392.3 m
Available liquidity



1.96 %
Average financial cost



3.5 years
Average debt maturity

05

OUR COMMITMENT TO THE ENVIRONMENT



One of the Company main commitments is caring for the environment, mitigating the effects of climate change and making advances towards energy transition. In this regard, the Company is firmly committed to respect for the environment and

the pursuit of a sustainable economy, and it works daily to achieve a society in which sustainability takes precedence, in accordance with the 2030 Agenda Sustainable Development Goals (SDGs).

Throughout 2023, the Company has contributed to different SDGs in respect of environmental protection.



SDG 7:
Affordable and clean energy

- Agreement with Iberostar for the installation of a Hydrogen Fuel Cell in one of its hotels in the Balearic Islands to supply energy from a clean and renewable source.
- Construction of the **first hydrogen pipeline in Spain**, which will inject hydrogen into the Natural Gas network as part of the Green Hysland project.
- Installation of an **electrolyser** in Garray to produce 100% renewable hydrogen in Castilla y León.



SDG 11:
Sustainable cities and communities

- Commitment to transparency, communications and stakeholders through the publication of the integrated report, activity report and Non-financial Reporting Statement.
- First launch of the Tax Transparency Report for 2022.



SDG 13:
Climate action

- Registration of the calculation of the Company's Scope 1, 2 and 3 Carbon Footprint, with a commitment to reduce emissions.
- Participation in initiatives such as Green Hysland, HIGGS, Ocean H2, Hydrogenizing BCN and the pioneering injection of biomethane in Spain in collaboration with Galivi Solar.
- Connection of two biomethane injection point, increasing the portfolio of projects under analysis and contracting.
- Completion of the construction of the first green hydrogen production plant in Garray, Soria (2.5 MW), which can be powered directly from the electricity generated by a 5.2 MW photovoltaic plant, and which will have a 150 m3 storage system.



SDG 15:
Life on land

- Reforestation of a forest plot in Zaragoza by Company employees in collaboration with the Redexis Foundation.

The general guidelines and goals that inform the Company's actions are explained in its **Integrated Security, Environmental and Energy Policy**. This Policy is monitored and reviewed periodically to ensure its continued suitability; the latest review having taken place in February 2023. All of the organisation's employees and other interested parties (suppliers, collaborating companies, temporary personnel, etc.) are made aware of the Integrated Policy through the communications channels provided for in the Integrated Management System.



Environmental Excellence is a fundamental value in the Company's Policy, and its management is based on the following keystones:

-  Environmental monitoring in the areas in which the Company is active, with particular focus on construction sites and the maintenance of facilities and infrastructure.
-  Reducing consumption of natural resources through the use of recycled and/or recyclable products, promoting the saving of energy.
-  Planning and executing activities in an organised, rational and error-free way, reducing any impact on the environment.
-  Informing employees and making them aware of the importance of the correct management of energy and the impact of their activities on the organisation's energy performance.
-  Improving the management of any waste generated, applying suitable measures for the reduction, recovery and recycling of waste and ensuring that any that is not recoverable is properly disposed of.
-  Complying with the environmental requirements set out in the Company's environmental licenses, declarations and authorisations.
-  Supplying the information and resources necessary in order to establish and review the targets and goals that will guarantee environmental and energy management.
-  The Company has Environmental Emergency Plans in place, and it carries out an annual emergency drill in each Autonomous Region.

The procedures approved by the Company that allow it to carry out the **continuous monitoring of its environmental evaluation and certification** include the following:



Procedure DOC-10

“Operational Control, Preventive Planning, Measurement and Monitoring”:

this includes the monitoring and measurement activities required to achieve mitigation of environmental impact and the meaningful use and consumption of energy associated with the Company’s business activities, and to maintain the health and safety of all interested parties.



Procedure DOC-13

“Identification and evaluation of environmental aspects”:

to identify and evaluate the environmental aspects of the Company’s activities, products and services that can be monitored, and those on which the Company can have an effect, along with the associated environmental impacts, from a life-cycle perspective.



Procedure DOC-08

“IMS Audits”:

this covers the way that regular audits are to be carried out, understood to mean the systematic and documented verification process for objectively obtaining and evaluating evidence showing compliance with the Integrated Management System.



Procedure DOC-14

“Environmental Responsibility, Occupational Health and Safety and Energy Responsibility for Suppliers and Contractors”:

this includes informing suppliers and contractors about the procedures and requirements that apply in respect of environmental and energy matters and occupational health and safety.



5.1 ENVIRONMENTAL

Throughout the course of 2023, the Company set the following goals **regarding the environment and energy saving**:



Reducing our Carbon Footprint by 2.5% (Kg CO₂ emitted / pipeline Km) as compared with 2020.



Reducing the natural gas self-consumption ratio (kWh/MWh emitted) at the LNG Plant in Illueca by 15% during the fourth quarter of 2023 compared with the average for the last four years.



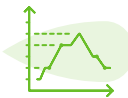
Reduce the consumption of electrical energy in the positions: CCMM-00, MAEJE-01, ZACA-05, SANSON-02.1 and BOEMEDI-05 (MEDARE Output), by 2% during the third quarter of 2023 compared to the average of the last four years.



Increase MA inspection visits to construction sites and O&M by 5% compared to 2022.



Reduce the ratio of self-consumption (kWh/MWh emitted) of natural gas at positions CCMM-00, MAEJE-01, ZACA-05, SANSON-02.1 and BOEMEDI-05 (MEDARE Output) by 2% during the third quarter of 2023 compared to the average of the last four years.



Reduction of 2% in electricity consumption in the Madrid, Murcia and Granada offices compared to the baseline, with usage measures.



Reduce electricity consumption at the LNG Plant in Illueca by 15% during the fourth quarter of 2023 compared with average energy consumption for the last four years.

In order to achieve its proposed objectives, the Company, through its Energy Management, Environment and Occupational Health and Safety (“GEMASST”) department, has introduced a series of strategies that integrate environmental management, energy management and the sustainable development an integral part of the Company’s strategy. The objective is to offer transparency and to inform and raise awareness among all stakeholders through the use of documented environmental and energy criteria during the Company’s planning and decision-making processes.

The Company identifies and evaluates the environmental aspects that could be important in relation to the activities that it engages in, attempting to minimise their impact. In this regard, it takes care to make reasonable use of resources and raw materials, minimising the generation of residue, emissions and waste. The Company applies continuous improvement programmes to prevent and control pollution and establishes

environmental and energy targets in order to increase the sustainability of its assets and facilities, apart from adopt measures to protect species of flora and fauna and their habitats.

Energy saving is a key aspects of the Company’s strategy, which encourages among its employees and the society the development of cleaner and more efficient energy technologies with the aim of minimising its carbon footprint. An example of this is the release in 2023 of the **GOB 23 policy regarding vehicle use**, where the use of vehicles powered with renewable fuels for employees is encouraged.

In June 2023, it successfully completed (0 minor non-conformities) an audit of its **energy efficiency management system**, which led to the awarding of the **ISO 50001:2018** certification for its activities relating development and operation of natural gas transmission and distribution facilities, piped distribution of liquefied petroleum gases, refuelling stations and

photovoltaic installations (covering the 100% of the company facilities)

The audit report highlighted the thorough study of the Company’s context, the annual energy review and the improvement of baseline metrics and its capacity to predict consumption. Additionally, it noted the incorporation of new technologies, maintenance of facilities, monitoring from the Control Centre, and management to optimize energy efficiency. The high degree of achievement of the improvement objectives planned for 2022 was also highlighted.

In 2023, the relevant follow-up audits were carried out in relation to standards **ISO 14001:2015**, **ISO 45001:2018**, and **ISO 50001:2018**, and verification was obtained in all three cases. Implementation of the measures arising from Royal Decree-Law 840/2015 continued at SEVESO Plants, and audits at these plants were successfully completed without any major non-conformities.





5.2 POLLUTION

Pollution management is a significant factor for the Company, with the management of spills, explosions, or environmental accidents covered by the Integrated Policy on Safety, Health, Environment, and Energy management. Based on this Policy, the Company implements the following annual measures covering the 100% of its facilities:



Environmental monitoring in the field of the Company's activities, particularly construction and maintenance of facilities and infrastructure.



Review of significant environmental aspects and actual or potential environmental impacts related to its processes.



Orderly and rational planning and execution of activities to reduce environmental impact.



Implementation of annual objectives and measures aimed at reducing the carbon footprint.



Compliance with environmental requirements established in licenses, declarations, and environmental authorisations.

In 2023, the Company carried out 40 updates to Explosion Protection Documents, 953 environmental inspections visits to worksites, and 199 visits for operation and maintenance. Additionally, 42 drills were conducted at facilities, including environmental scenarios. Thanks to these measures, in 2023, the Company did not experience any accidents related to spills, explosions of events that could contaminate the environment or natural resources.

5.3 CIRCULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT

The Company prioritizes the circular economy seeking efficient production models that protect resources and reduce impact on the environment. Through its Integrated Management System, and specifically through its **“Waste Management” Operational Regulation**, the Company establishes a system that ensures correct controls and management of waste produced as the result of its activities, products, services and facilities.

This regulation optimises the management of hazardous and non-hazardous waste, establishing targets for the improving of environmental indicators. These actions contribute to the transition towards a circular economy, with focus on reducing waste and use resources in a sustainable way. During 2023 a series of measures were taken:

Prevention of pollution due to waste:

waste must be sent for recycling or evaluation when there is a possibility of it being managed in this way, and its destruction is avoided whenever possible.

Separation of waste:

the unit generating the waste is responsible for separating it out by type, based on its ELW code, and correctly depositing it in the appropriately marked containers so that it can subsequently be deposited at the collection points designated to this end. All personnel, both internal and external, are responsible for depositing the different types of waste in their respective container.

- Hazardous waste is deposited in hygienic and secure conditions in the areas designated to this end.
- In the case of hazardous waste that is not generated by office activities but is owned by the Company, this is moved to the closest “Hazardous Waste Store”, and the necessary

measures are taken to prevent any damage to the receptacles and packaging used. At these stores, it will be classified and catalogued as waste, separated out according to type and temporarily deposited in secure conditions until it is collected by an authorised waste manager.

- Each contractor is responsible for the waste generated by its own activities.

Storage of waste:

each waste-producing centre (offices and warehouse, where applicable) has specific areas for the storage of waste and suitable regulatory containers for each of the types of waste that they generate.

Labelling of waste:

all containers are properly labelled in a clear, legible and identifiable way (in at least the national language). The label is attached to one or more sides of the package, in such a way that it can be read horizontally when

the package is positioned in the established way.

Waste management:

non-hazardous and hazardous waste is handled by authorised waste managers and carriers.

Following up and measuring waste:

the management of waste is followed up and measured each week to ensure its correct separation and ultimate handover to the authorised waste manager. Authorised waste managers prepare a monthly report on the amount of waste managed.

Waste management and control has led to an overall reduction of indicators in 2023 vs 2022 both for office and construction waste.

/ Non-hazardous waste management in offices

	Total 2022 (kg)	Total 2023 (kg)	Ratio kg / employee 2022	Ratio kg / employee 2023	Change
Cardboard	2,032.3	1,612.0	6.00	4.74	-21%
Confidential Paper Documents	5,076.2	2,635.0	14.99	7.75	-48%
Plastic	1,298.7	1,244.2	3.83	3.66	-5%
TOTAL	8,407.2	5,491.2	24.82	16.15	-35%

/ Non-hazardous waste management - on site

	Total 2022 (kg)	Total 2023 (kg)	Ratio kg / LM work site 2022	Ratio kg / LM work site 2023	Change
Concrete/ Bituminous mixtures	8,960,836.0	2,157,991.0	58.95	31.79	-46%
Excavation soil	4,327,423.0	2,148,286.0	28.47	31.65	11%
Rubble	11,314,597.0	4,070,813.0	74.44	59.98	-19%
Plant debris	0.0	3,240.0	0.00	0.05	n.a.
Metals	360.0	6,184.2	0.00	0.09	3747%
TOTAL	24,603,216.0	8,386,514.2	161.86	123.56	-24%

/ Non-energy consumption - facilities

	Total 2022 (m3)	Total 2023 (m3)	Ratio m3 / facility 2022	Ratio m3 / facility 2023
Water	980.0	374.5	0.30	0.10
THT	4,500.0	4,870.0	1.39	1.26

/ Non-energy consumption - offices

	Total 2022 (m3)	Total 2023 (m3)	Ratio m3 / empleado 2022	Ratio m3 / empleado 2023
Water	66.5	95.0	0.20	0.28



The Company continuously monitors **energy consumption**, and in this way, it is able to implement energy efficiency measures. Consumption data in the table below corresponds to ISO 50001.2018 data.

/ Energy consumption

	Unit	Actual 2021	Actual 2022	Actual 2023	Variation vs 2021	Variation vs 2022
TOTAL ENERGY	kWh consumed	19,411,090	18,003,543	18,521,780	-5%	3%
Metres Dx, Tx and LPGx network	km	11,905	12,058	12,132	3%	1%
Ratio Total energy	kWh / m	1.63	1.49	1.53	-8%	2%
Broken down by facility						
Positions Tx	kWh consumed	13,657,079	12,380,878	12,670,702	-7%	2%
LPG Plants	kWh consumed	1,938,199	1,895,695	2,031,109	5%	7%
LNG Plants	kWh consumed	2,597,274	2,366,709	2,188,218	-16%	-8%
Vehicles	kWh consumed	863,615	970,006	1,251,499	45%	29%
Offices	kWh consumed	354,924	390,255	380,251	7%	-3%



The following are some of the notable measures implemented in order to achieve energy savings:

MEASURES ADOPTED IN 2023



Offices

Reduction of electricity consumption in the offices in Madrid, Murcia and Granada compared to the baseline, with measures for electricity use.



Positions

Shutdown of primary-secondary boilers during the third quarter of the year at positions CCMM-00, MAEJE-01, ZACA-05, SANSON-02.1 and BOEMEDI-05 (MEDARE output) to reduce the consumption of electrical energy, as well as the ratio of self-consumption.



LNG Plant

Replacement of open reheaters at the Illueca LNG Plant.

5.4 CLIMATE CHANGE

The Company believes that climate change is a global environmental challenge that requires everyone to make some contribution to mitigating its effects. CO2 emissions, for example, are one of the factors that most affect global warming. For this reason, the Company works constantly to reduce its own emissions by making investment to update its infrastructure and optimise its business activities, thus improving its energy efficiency.

Aware of the impact that its activities have on the environment, and with the aim of establishing effective and efficient emission reduction policies, the Company calculates the greenhouse gas emissions resulting from its transmission, distribution and storage of natural gas and LPG in Spain. Annually, the Company makes its report for the purposes of calculating the carbon footprint from its activity and informing all of its stakeholders about the organisation's emissions in a transparent way.

The main objectives pursued in carrying out this initiative are as follows:



Ascertaining and evaluating the organisation's Greenhouse Gas emissions (GHGs) in order to identify opportunities for reducing its carbon footprint.



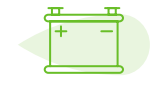
Improving our position in relation to society in general and maintaining a responsible commitment to continuous improvement.



Recording the Company's carbon footprint in the National Carbon Footprint Register kept by the Spanish Ministry for Ecological Transition (MITECO).



With the aim of reducing current emissions, an **Emissions Reduction Plan** has been prepared which includes a number of measures carried out during the course of 2023:



Increase in the level of implementation of vacuum pumps in the work to bring new networks into operation.



Sending boil-off on distribution line in several pilots.







Replacement of the open reboilers at Illueca LNG Plant to reduce self-consumption ratio (kWh / MWh emitted) of natural gas up to a 15%.



Shutting down of the boilers at transmission positions during the third quarter and change of open reboilers in CCMM-00, MAEJE-01, ZACA-05, SANSON-02.1 and BOEMEDI-05 positions to reduce self-consumption ratio (kWh / MWh emitted) of natural gas up to a 2%.

The implementation of the various reduction measures during these years has led to a 3.7% reduction in emissions based on network kilometres in 2023 vs. 2022, while compared to the base year 2020 the reduction is 12.0%.

SCOPE 1







-  Emissions associated with fuel consumption in **facilities**.
-  Emissions associated with fuel consumption of the **transport fleet**.
-  Emissions associated with **refrigerant gas leaks**.
-  Emissions associated with **gas leaks in pipelines**.

SCOPE 2

-  Emissions associated with **electricity consumption in facilities**.

SCOPE 3

GHG emissions produced outside of the operational scope of the Company and not included under Scope 1 and 2 are identified as Scope 3

-  Emissions produced in the extraction, production and transport of materials and goods consumed, such as workshop parts, office supplies, clearing products, etc.
-  Emissions related to the extraction and transport of fuel used in both fixed and mobile sources.
-  Fuel consumption of subcontracted vehicles to meet demand at specific times.
-  Commuting emissions of workers from their homes to their workplaces.
-  Emissions associated with the transport and treatment of waste generated by the company's activities.
-  Etc.

Other indirect GHG emissions





/ Carbon footprint

Source	Type of source	Real 2022 (tn CO2 eq)			Actual 2023 (t CO2 eq)		
		Scope 1	Scope 2	TOTAL 2022	Scope 1	Scope 2	TOTAL 2023 E
Offices	fixed inst.	1	10	11	1	61	62
LNG Plants	fixed inst.	383	18	402	349	15	363
LPG Plants	fixed inst.	377	12	389	394	1	395
Positions Tx	fixed inst.	2,085	3	2,088	2,146	17	2,163
Vehicle fleet	vehicles	213	0	213	248	0	248
Diffuse emissions	diffuse	33,732	0	33,732	32,444	0	32,444
TOTAL		36,791	43	36,834	35,582	93	35,675

	Real 2023 (tn CO2 eq)
Category 3 - Transport	1,042
Upstream transport	720
Commuting	263
Business travel	59
Category 4 - Products used	16,406.0
Materials	6
Water	0
Waste	1
Goods and services	11,028
Category 5 - Product use	131,084
LPG sold	130,800
Diffuse customer networks	262.0
TOTAL	143,161

	Ratio (tn CO2 eq / km)		Change
	2022	2023	
Scope 1	3.05	2.93	-3.9%
Scope 2	0.00	0.01	115.8%
Scope 1 + 2	3.05	2.94	-3.7%

	Actual 2023 (tn CO2 eq)	Distribution
Category 1	35,582	19.9%
Category 2	93	0.1%
Category 3	1,042	0.6%
Category 4	11,035	6.2%
Category 5	131,084	73.3%
TOTAL	178,837	100.0%

5.5 BIODIVERSITY

The Company is firmly committed to **the conservation of natural capital and biodiversity**. The management of its activities takes careful account of the integrated treatment of the impacts caused, and the Company maintains a preventive approach towards the generation of such impacts, correcting any that may arise.

Based on the principle of caution, the Company carries out **environmental studies** while designing its infrastructure and facilities, with the aim of minimizing any potential negative impacts during their useful life. If the facility in question is close to protected zones or areas classified as being of high value in terms of their biodiversity, the Company carries out specific studies for the purposes of adapting the project and thus avoiding, reducing or offsetting any impact on these areas. In addition, it creates an **oversight program** for both the building works phase and the operational phase, with the

aim of applying any preventive and corrective measures that may be necessary in relation to issues such as waste management, the monitoring of machinery and vehicles on site, communications with environmental organisations and compliance with established environmental specifications, among others.

The construction of a gas pipeline passes through the following phases:

- Monitoring of the environmental obligations set out in the Environmental Impact Statement.
- Environmental Oversight Program.
- Waste management.
- Archaeological monitoring.
- Restoration and improvement of the natural landscape.



06

OUR COMMITMENT TO PEOPLE



The **Redexis Group Code of Conduct**, which sets out the Company's commitment to the principles of business ethics and transparency in all the areas in which it is active, establishes a set of principles and guidelines for behaviour aimed at guaranteeing ethical and responsible conduct among all the professionals working at the Company while they are performing their duties.

This code of conduct has been approved by the Board of Directors. It aims to establish the values and good practices that should govern corporate behaviour as a whole, in addition to the behaviour of all those people directly and indirectly linked to the Company, in the performance of their duties and in their professional relationships.

One of the keystones of the Company's corporate culture is transparency and integrity in the performance of its business activities. To this end, a number of internal regulations have been approved (and others have been amended) in order to implement the Code of Conduct and impress the importance of these values on the Company's employees:

- **Regulation GOB 02:** Procedure for the notification of allegedly irregular incidents within the Redexis Group.
- **Regulation GOB 06:** Institutional hospitality.
- **Regulation GOB 07:** Relations with members of Public Administrations.
- **Regulation GOB 08:** Prevention of money laundering, terrorist financing, bribery, and corruption.
- **Regulation GOB 09:** Collaborative agreements with public sector organisations, amended in March 2022 for the purposes of

reviewing the procedure for signing Collaborative Agreements.

- **Regulation GOB 12:** Meetings with public sector organisations and Public Administrations, amended in March 2022 for the purposes of reviewing the meetings to be authorised.
- **Regulation GOB 13:** Prevention and action protocol in situations of harassment.
- **Regulation GOB 17:** on issues involving the Defence of Competition; the purpose of this regulation is to develop the behavioural parameters for compliance with the rules governing the defence of competition.
- **Regulation GOB 18:** on Conflicts of Interest; the purpose of this regulation is to develop the guidelines to be borne in mind by all Redexis Group professionals in order to prevent and manage, as applicable, any conflicts of interest that could arise during the performance of their duties.
- **Regulation GOB 19:** Plan for the prevention of criminal risk. This is aimed at developing a model for the organisation, prevention, management and monitoring of criminal risk at the Redexis Group, ensuring the effectiveness of certain bases for action and control procedures that will minimize that risk.
- **Regulation GOB 20:** on the duties of the ESG Committee. The purpose of this Regulation is to establish the principles for action and the rules governing the internal operation of the Environmental Social and Governance Committee.
- **Regulation EXP 01:** Verification of compliance with tax and social security obligations in the context of public tendering processes.
- **Policy IS.SEG. 02:** on the acceptable use of assets; in order to bring the Policy into line with the updated regulations on access to emails.

The Company has a **Human Rights Policy** through which it commits to respect human rights in every phase of its activity and to make them a fundamental element in acting responsibly. Through this Policy, the Company seeks to ensure the protection of Human Rights, both among its employees and among other Stakeholders. It is based on the UN Declaration of Human Rights and is committed to the different regulations that govern human rights, which form an integral part of this Policy:



The United Nations Universal Declaration of Human Rights.



The fundamental conventions of the International Labour Organization.



The United Nations Global Compact.



The United Nations Convention on the Rights of the Child.



The United Nations International Covenant on Economic, Social and Cultural Rights.



The United Nations Convention on the Rights of Persons with Disabilities.



The International Covenant on Civil and Political Rights of the United Nations.



The United Nations Convention on the Elimination of Discrimination Against Women.



The Guidelines of the Organisation for Economic Cooperation and Development for Multinational Enterprises.



The principles of freedom of expression and privacy of the Global Network Initiative.



The 2030 Agenda for Sustainable Development.



Throughout 2023, the Company has contributed to the following SDGs in respect of social inclusion.



SDG 1:
No Poverty

- Donation of Euros 5,000 from the Redexis Foundation to the Emergency Committee to assist in the humanitarian crisis resulting from the Morocco earthquake.
- Donation of Euros 10,000 to the Emergency Committee to assist in the humanitarian crisis caused by the earthquake in Turkey and Syria.
- Donation from the Redexis Foundation to the Association of the Three Wise Men (*Asociación de Reyes Magos*) of San Fernando (Cádiz) for the purchase of toys for children from families in the municipality as part of the “No child without a toy” (*Ningún niño sin juguete*) initiative.



SDG 2:
Zero hunger

- Donation to the Madrid Food Bank to cover the lack of milk in its storerooms with the donation of five litres of milk per employee.



SDG 3:
Good health and well-being

- Invitation to not-for-profit organisations to apply for the Redexis Foundation’s 3rd Aid Line, for the development of projects to improve energy efficiency and quality of life for people with disabilities, particularly during childhood and adolescence.
- Continuation of the Company’s psychosocial and well-being activity for its employees.



SDG 4:
Quality education

- The Redexis Foundation has launched the **Energía26 Study Grants** programme for the children of Redexis employees undergoing baccalaureate studies, intermediate vocational training or bachelor’s degree studies.



SDG 5:
Gender equality

- Launch of the programme Women Connected (*Mujeres en Red*), which provides mentoring and support for female staff in their personal and professional development.
- Conducting face-to-face and online training workshops on unconscious bias as part of the Diversity, Equity and Inclusion programme.

6.1 PEOPLE

6.1.1 EMPLOYMENT

The Company considers that success is achieved through the efforts of its workforce, and it is fundamentally important to attract and retain people who share the Company's values and are committed to its sustainable development.

As of the end of 2023, the Company had 327 employees.

/ Headcount at year end

Professional group / age	M	F	TOTAL (2023)
Steering Committee	8	3	11
< 30 years of age	0	0	0
30 - 40 years of age	0	0	0
41 - 50 years of age	4	2	6
> 50 years of age	4	1	5
Executives and managers	94	25	119
< 30 years of age	0	0	0
30 - 40 years of age	7	6	13
41 - 50 years of age	56	12	68
> 50 years of age	31	7	38
Technical and support staff	117	69	186
< 30 years of age	6	6	12
30 - 40 years of age	18	16	34
41 - 50 years of age	42	25	67
> 50 years of age	51	22	73
Other categories	8	3	11
< 30 years of age	2	0	2
30 - 40 years of age	2	0	2
41 - 50 years of age	2	0	2
> 50 years of age	2	3	5
TOTAL	227	100	327

The Company has a **Code of Ethics and Conduct** which reflects its commitment to all the principles of corporate ethics and transparency, thereby establishing a series of behavioural procedures and guidelines that are ultimately aimed at ensuring the responsible and ethical behaviour of all the individuals who form part of the Company. This Code also summarises and defines the values and good practices that must govern corporate conduct and the actions of all the professionals who are both directly and indirectly connected with the Company, during the performance of its activities.





6.1.2 ORGANISATION OF DUTIES

The Company's commitment to its employees is reflected in its payment policy, through which everyone who works for the Company enjoys a variable payment system that is linked to the achievement of Company, departmental and individual targets. Other benefits and advantages are also included:



Flexible remuneration

The Company offers everyone on the workforce the possibility of gaining access to a series of products in accordance with each person's individual needs, in such a way that they can optimise their remuneration and increase their disposable income. During 2023 more than 300 employees of the workforce enjoyed some benefit from this program, which offers the possibility of taking up five products: Health insurance, Restaurant, Transport, Training and Childcare.



Life and accident insurance

From the moment that they join the Company, each person is covered by a life and accident insurance policy.



Pension plans

Any Company employee who wishes to do so may sign up to a pension plan that is regarded as a socially responsible investment.



Health insurance

The Company subsidises a percentage of the worker's premium as a Company benefit.



Assistance with childcare and childbirth

The Company offers a payment of Euros 60 a month for 12 months following childbirth, and a childcare payment in the same amount.



Redexis discount club

All workers have access to a series of discounts on different articles and products, such as cinema and theatre tickets, trips, hotels, sport, fashion, etc.



Urban Sports Club

Any worker who wishes to can subscribe to a wide range of sports and wellness activities. Available options range from completely free of charge to discounts of 50%.



BH Wellness Program

Anyone may gain access to this service, which is aimed at promoting physical and emotional well-being and is completely free of charge.

The Company, which is committed to flexibility and work-life balance for everyone who is part of the Company, signed the **3rd Company Collective Agreement** with the UGT trade union federation in June 2022, which will be in place until 31st of December of 2025 and, which improves working conditions in a number of ways:

- **A reduction in the annual number of working hours** as compared with the previous Collective Agreement.
- **Flexible working hours**, with workers arriving between 8 and 9.30 am and leaving from 5.15 pm onwards. The minimum time that can be taken for lunch was also reduced to 45 minutes from 2022.
- **Uninterrupted working on Friday**, with a flexible start time and the possibility of leaving from 3 pm onwards.

- **Uninterrupted working days during the summer period, which was increased to three months, from 15 June to 15 September, upon completion of the term of the 2nd Collective Agreement.**
- **24 and 31 December**, non-working days.
- **Working days before public holidays** (5 January, 23 and 30 December and Easter week) are worked in a single, uninterrupted 7-hour session.
- **Increased holiday allowance**, which has been extended to 26 business days.
- Implementation of a **remote work** model allowing up to 42% of the workday for roles that do not require physical presence, with three different modalities to accommodate individual employee needs.



The agreement maintains a model of annual increases linked to the company's operating profit (EBITDA) and ensures a progressive improvement of base salaries under the agreement with a 3% annual increase during its validity.



6.1.3 SOCIAL RELATIONS

The **3rd Collective Agreement shapes labour relations with the Company** and recognises the existence of an Inter-Centre Committee comprising a maximum of 5 members, who will be appointed from among the members of the Company's various Workplace Committees and/or Staff Delegates.

This Committee has the following powers:

- To act as a valid interlocutor with the Company in respect of any individual or collective issues which have been expressly delegated to the Inter-Centre Committee by the Workplace Committee, Staff Delegate and/or any workers requesting its intervention, and in this case the decisions adopted by the Inter-Centre Committee will be binding upon the party that has delegated the power in question.
- Each year, the Company informs the Inter-Centre Committee about the Company's global plans with regard to contracting.

- The Company informs the Inter-Centre Committee annually about the Company's global plans with regard to training.
- The Inter-Centre Committee will act as the workers' legal representative for all purposes in relation to any of the collective matters described in Articles 40, 41, 44.9, 47 and 51 of the Spanish Workers' Statute, whenever the measures taken by the Company in this regard affect more than one of the Company's workplaces, and when the matter in question relates to Article 82.3 of the Spanish Workers' Statute.

In addition, as part of the social dialogues, the following should be noted:

- Both the CCOO and UGT unions have a presence at the Company, each with their own respective union section.
- As of 31 December 2023, there are 17 Legal Workers' Representatives.

- At the end of 2023, negotiations began with the social partners on the 3rd Redexis Equality Plan, its main aim of which is to continue guaranteeing equal opportunities.
- The working timetable is agreed every year with the legal representative at all the Company's workplaces.
- The Company has periodic meetings with unions in order to gather information and ensure freedom of association.

Consultation with and participation by workers in relation to matters of Occupational Health and Safety, established by collective negotiation, is arranged through the Territorial Health and Safety Committees (THSC) and Occupational Health and Safety (OHS) Commissions. During 2023, the West Andalusia, Extremadura and East Andalusia regions were unified into a single entity called the South Zone. Subsequently, the Sout

Zone Committee was established (merging THSC Cádiz and THSC East Andalusia), and the Merida Commission was dissolved. Additionally, in June 2023, the THSC Balearics became a Commission due to a lack of worker representation and no upcoming union election promotions anticipated.





Consequently, in 2023, the following 4 THSC and 1 Commission were convened quarterly as mentioned below:

- THSC Central Region
- THSC Levante
- THSC South
- THSC Northern Region
- Balearics OHS Commission

The Safety Committees are joint collegiate and participatory bodies whose purpose is to engage in regular consultations on the Company's activities in the area of the prevention of workplace risk. They are made up of the prevention officers on one side and representatives from the Company on the other (Territorial Managers, Delegates, etc.), each in equal numbers. Each Committee has a Chair and a Secretary. A representative from the Prevention Service may attend meetings of the Committee with the right to speak but not to vote. Given its status as a joint collegiate and participatory body, all of its actions must be taken jointly, following agreement by a simple majority of its members, set out in writing, with representation from both sides. These Committee meetings will be held on a quarterly basis, though extraordinary sessions may also be convened.

Aside from these 4 Territorial Safety Committees and 1 Commission, the Company's Interterritorial **Health and Safety Committee (IHSC)** also met once again in 2023. This Committee meets every six months and comprises 5 members of the Company's management (Manager of Operations, Manager of Network Operation, Balearic Islands Regional Manager, Northern Regional Manager and Talent Manager (HR)) and 5 workers' representatives from the different regions and union groups. The position of Secretary falls to the head of GEMASST, who has the right to speak but not to vote, and the Committee is advised by the head of the Prevention Service, who also has the right to speak but not to vote.

The Company has also established Regional Sustainability Committees and Regional Environment and Energy Committees which meet every six months.



6.1.4 GROUPS OF INTEREST

Transparency and constant dialogue with everyone who forms part of the Company is essential, since these are key aspects for the essential management of communications.

To foster internal communication, the Company has a shared internal channel (comunicacion@redexis.es) for reporting all internal events and activities with employees, which are fundamental to the Company's operations. Through this

channel, a monthly newsletter "**Redexis de cerca**" is sent out, highlighting recent events and achievements, and includes interviews with departments or employees to promote a sense of community. The Company's intranet also plays a crucial role by providing access to news, regulations, documents, corporate tools and any useful resources for employees.

In 2023, the new format for internal communications known as "**Meeting point**" (*punto de encuentro*), originally introduced 2022, was once again implemented to inform, engage and listen to, and answer to employees' questions and concerns. Three sessions were held in 2023: the first one was held online on 9 March while the second was held on 18 May in person in Zaragoza, and the third one was held online on 25 October. In each event, employees were able to interact with the CEO and Management Committee who answered their questions.

For the first time in 2023, the "**Breakfast with Energy**" initiative was introduced, where the CEO meets a group of employees for a closer and in-person dialogue, allowing them to ask questions and receive direct answers. These breakfasts were held in all offices with nearly 100% employee participation.

The **Redexis Commitment** (*Compromiso Redexis*) channel informs employees about volunteering and sustainability initiatives and activities in which they can participate (many of them driven by the Foundation), aiming to enhance employees' sense of belonging. In 2023 the Company launched the **4th children's drawing contest entitled "Redexis lights up your Christmas"**, aimed at all employees' children under the age of 13. The contests offer prizes and the opportunity for the winning drawing to be the Corporate Christmas greeting card, along with a clothing donation campaign.



6.1.5 TRAINING

As part of its commitment to all the people who form part of the Company, the Talent division designs and promotes training programmes and activities that will help them to develop the skills they require in order to tackle the challenges faced by the Company and the know-how that will assist them in their personal and professional development. The aim of the Talent division is to give access to training to the 100% of employees (already achieved in 2023) with a focus in their management and interpersonal skills, as well as in the strategic aspects of the business and new technologies such as renewable energies.

During 2023, the company has continued to enhance format that allows it to reach more employees and address strategic topics such as Hydrogen, Biogas and Biomethane through **webinars, forums and masterclasses** with nationally and internationally recognised experts. Additionally, the Company maintained several training platforms through its internal training portal **“Grow with Redexis”**, which enabled it to carry out the following training activities in 2023:



Technical training

For the third consecutive year the Company have provided the entire workforce with a catalogue of more than 800 courses on the energy sector, infrastructure, project management, etc., all of which are led by some of the country's leading experts and universities. In addition, training has been given to specific groups in Finance for Non-Financial Professionals, Receiving Facilities, Commercial Training, etc.



New Businesses Training

An open training catalogue available to the entire workforce, where courses related to renewable energies such as Biogas and Biomethane, Hydrogen, or Solar and Photovoltaic Energy and the most in demand.



Corporate Training

This category includes the mandatory “We are Redexis” welcome program for new employees, which covers the internal code and Corporate Governance regulations. Additionally, it includes training for the entire workforce on new corporate governance rules (mandatory for 100% of the workforce) and existing corporate, safety or general interest regulations.



Skills, Communication and Leadership Training

The Company offers an open catalogue of more than 100 online courses for all employees who wish to improve their social skills, leadership, team management, etc. This includes courses such as Communication and Listening, Languages, Social Intelligence, Team Coaching, etc. Additionally, in-person workshops have been conducted for all people and manager in the company, focusing on performance and development management, providing feedback, etc.



Training in Technology and Cybersecurity

Training on various technological tools that allow for more efficient work and knowledge of information security. Some of the workshops include Phishing, Artificial Intelligence, Python, etc.



Training in Safety, Health and the Environment

Working with the GEMASST department, Redexis promotes risk prevention, health and safety for all, and training on issues such as the environment, mobility, etc.

A notable training initiative in 2023 was a specific program for all company professionals to introduce the new corporate Talent Management system called GPS (Growth, Performance, Success), which integrates all processes related to the Company's Development, Performance and Recognition. The objective is to foster a culture of talent, performance, and development within the Company.

To meet training needs, the company promotes the Flexible Remuneration scheme with the introduction of a grants system for Masters' Degrees. This gives the chance to attend one of the 100 Masters' and other postgraduate degree courses with official Spanish university certification, during which students have access to all the course content free of charge and only have to pay the Dissertation fee if they decide that they would like to obtain the degree.

All these actions help maintain an employee hours/training ratio that ensures the workforce's skills and knowledge are continuously updated.

/ Training actions

	2022		2023	
	Participants	Hours	Participants	Hours
Corporate training	1,203	3,104	941	2,774
Training in skills, languages and communication	13	60	634	1,241
Training in technology and information security	132	901	144	442
New businesses training	407	1,419	152	2,353
Technical and financial training	205	6,169	105	1,364
Training in Health and Safety and the Environment	1,473	2,648	709	2,083
TOTAL	3,433	14,301	2,685	10,257

6.1.6 EQUALITY

The Company is firmly committed to equal opportunities for all its employees, suppliers, and contractors, together with the promotion of diversity and the rejection of any form of aggression, harassment or different treatment due to gender, race, age, etc.

The Company's **Code of Ethics and Conduct** sets out the values and good practices that should inform the organisation's actions and that affect all professionals in the performance of their duties. Besides, there are a series of applicable corporate regulations which ensure the principles of equality and diversity:

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





The Company also has a **Diversity and Equality Policy**, through which the Company makes a commitment to promote equality and diversity and through different origins and experiences professionals could contribute valuable knowledge and talent to the Company, and seeks to prevent any form of discrimination. This Policy applies to all areas of the Company and is mandatory for all professional personnel, taking on particular importance during the personnel selection and hiring processes.

The Company is thus committed to treating all people with respect and dignity, guaranteeing inclusive, understanding, and supportive working. Likewise, the Company undertakes not to exercise or tolerate any act of discrimination, including harassment based on gender, sexual orientation, marital status, employment status, race, disability, nationality, religion, belief, age, medical condition, union relations or any other circumstance.

The following are just some of the measures adopted by the Company during 2023 to ensure **universal integration and access for people with disabilities**:

- The direct engagement of people with registered disabilities.
- The signing of an agreement with the company Ilunion Retail y Comercialización S.A.U., which is certified as a Special Employment Centre and which is active in the business of supplying office and stationery supplies and consumables, printing and graphic artwork, and corporate, institutional, advertising, and promotional gifts.
- The signing of a contract with the Company INTEGRA, which is certified as a Special Employment Centre, and which provides reception services at all branches with a reception service since 2023 (Madrid, Zaragoza, Palma de Mallorca, Murcia and Ávila).

As a result of these two agreements, the Company has been awarded a certificate of exceptionality, and the Company complies with the alternative measures set out in Royal Legislative Decree 1/2013 of 29 November, which approved the Consolidated Text of the General Act on the rights of people with disabilities and their social inclusion.

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

Since 2021, and within our ESG objectives, the Company has been committed to a series of actions through to 2026 that would allow us to reach our goal of having at least 30% women in positions of responsibility. These actions are based on three key principles: Attracting, Developing and Retaining the best female talent.

As part of this objective, the Company has carried out various initiatives during 2023:



Training in Diversity, Equity and Inclusion:

During September 2023, several workshops were conducted for the Management Committee and the Management Team (approximately 50 individuals) focused on the identification of unconscious biases and how to combat them, with a focus on those related to gender.



Women Connected (*Mujeres en Red*) Mentoring Programme:

In July 2023, the Company launched a group mentoring programme, inviting all women in the Company to participate with the aim of developing greater awareness of their resources, skills and opportunities in their work and personal environment. An 80% participation rate was achieved among the women in the Company. The mentors are the nine women currently in management positions in the Company, including the Steering Committee who have received specific training to conduct mentoring sessions. The program consisted of 6 mentoring sessions per group, totalling 960 hours of mentoring, half of which were conducted during 2023.

The Company also has a **designated internal head of Diversity, Equity and Inclusion** who is Susana Lorenzo, the Director of Corporate Resources, who ensures that best practices related to DEI are promoted in internal policies.

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

To ensure compliance with these plans and policies, and to guarantee action against illegal acts, discrimination, or harassment, the Company has made **both internal and external complaint communication channels** available to all the parties involved. Any employee or person connected with the Company can use these to express their concerns, even anonymously.



6.2 HEALTH AND SAFETY

The Company goes beyond mere compliance with the applicable legislation in force and promotes the **continuous improvement of working conditions and the management of safety, health and well-being.**

The Company seeks to involve its suppliers, service providers, end users and other stakeholders with an interest in its activities, with the aim of acting with maximum safety. The GEMASST Leadership Committee meets periodically to reinforce the leadership of Senior Management and its commitment to issues related to occupational health and safety and the environment.



With regard to matters relating to **occupational health and safety**, the Company set a series of targets for 2023:

- To meet the following joint accident rate figures for employees and contractors:
 - Combined Frequency Rate (CFR) ≤ 1.52 . CFR = No. Accidents / No. hours worked *1000000
 - Days Lost due to Sick Leave (SLD) ≤ 8
 - No. of accidents with or without sick leave lower than 7.
- OHS, MA and GE Management Tool in two stages.
- Achieve 100% of near misses of high potential severity with lessons learned implemented.
- Carry out one psychosocial awareness campaign to provide resources in situations of emotional impact to workers who deal with customers and users.

- Specific SEVESO training for 80% of the prevention teams that have SEVESO plants in their territories.
- Increase business activity coordination meetings at work sites by 10% compared to 2022.
- Increase OSH inspection visits to work sites by 5% compared to 2022.

In addition to these objectives, in **2023 a Corporate objective has been set, where a 5% of the variable remuneration was linked to Occupational Health and Safety indicators**, with the corporate target as follows:

- Improvement in the four safety rates combined (own staff and contractor staff), with average achievement assessed as a % of the four safety rates. In this case, the rates to be evaluated are: i) Combined Frequency Rate ≤ 1.52 , ii) Severity Rate ≤ 0.012 , iii) Average duration of sick leave ≤ 8 days, iv) Number of accidents with or without sick leave ≤ 6 .

The Company has implemented a series of strategies through the GEMASST department, to emphasize leadership and promote sensitivity and awareness in respect of occupational health and safety issues. **Throughout 2023, the Company has encouraged well-being and a healthy lifestyle, constantly monitoring and caring for the health of its workforce at all times.**

A Strict control is maintained to ensure compliance with applicable legal requirements in occupational health and safety, environmental, and energy management. Employees receive adequate training to identify and control risks, as well as to understand necessary preventive measures to mitigate these risks. The Company ensures that employees are informed, either through their representatives or via direct communication, about the applied and preventive measures. The Company seeks employee participation in decisions affecting their safety and health through their representatives.

In 2022, the Company approved the **Remote Working Regulations**, which can be found in Appendix 5 of the collective agreement and applies to all employees who can **sign a remote working agreement**, previously agreed between the worker and their direct line manager and validated by the human resources team, which allow them to choose among the different remote work options available. This regulation applies to all Company's employees which, under the surveillance of the human resources department, fulfil with conditions and requirements established in the Remote Working Regulation and are under the collective bargaining agreement.

Two options are available for remote working: remote working two days a week, and remote working every afternoon and one morning a week during the non-continuous working days of the winter, which becomes two days a week during the uninterrupted working days of the summer.

The appraisal of the risks of remote working has been carried out by means of a **remote working self-assessment questionnaire** issued by the External Prevention Service.

The Company puts a particular emphasis on digital disconnection, the need to respect rest periods and holidays, and not calling meetings or sending emails outside working hours. In 2022, the Company approved the **Redexis Group Digital Disconnection Regulations** (included in Appendix 6 of the collective agreement), which regulates the way in which digital disconnection rights can be exercised, along with staff training and awareness activities about the reasonable use of technological tools for preventing IT overloads.

The Company's **Integrated Management System** is periodically reviewed, with measures adopted to enhance its effectiveness. This system aims to meet the prevention criteria derived from the current legal and

regulatory frameworks and is applied across all levels of the organisation. The **Integrated Management System Course** is always available on the Redexis Campus (mandatory for new hires), providing comprehensive information on how the GEMASST area is managed.

The Company conducts **ergonomic assessments of workstations** across various centres and provides **training on the prevention of musculoskeletal injuries and disorders** for office positions. Based on these assessments, information about results and preventive measures are disseminated, and related workshops are offered.

During 2022, A new **psychosocial risk assessment** was carried out (F-PSICO assessment method. Psychosocial Factors Version 3.1, INSHT). The Company has a **Working Group on Psychosocial Issues** and Wellness that includes 2 Prevention Officers, 2 members of the HR Department, the

head of the Prevention Service and the Director of GEMASST. This Working Group prepared an Action Plan of Psychosocial and Wellness Measures for the 2022- 2024 period, taking into account the results of the risk assessment including all the actions that should be undertaken in order to tackle the risks identified in the most recent Psychosocial Risk Assessment.

During 2023, Safety Week which was called **Switched ON Week** (*Semana Modo ON*) healthy and well-being initiative are promoted and it was focused on five aspects: activation, relaxation, nutrition, action and food. Face-to-face sessions were held in Madrid and Zaragoza and online for the rest of the offices.



The **Redexis Healthy** initiative continued during 2023, initiative that started in 2020 with the launch of the “**Redexis Healthy Well-being program**” with the aim of caring for the emotional and personal well-being of the Company’s employees through the offer of the following forms of intervention:



Psychological help for employees: Confidential psychological help for all of the organisation’s employees, offered free of charge.



Coaching sessions for employees who request them. These sessions allow people to develop their skills in a personalised way that is suited to their own personal or professional challenges, with help from an individual coach.



Well-being Programmes: All employees can take advantage of individual training free of charge which they can make use of in order to tackle their own personal challenges or goals.



Well-being portal: This is a portal that is exclusively available to employees and that contains information and resources to assist in caring for their individual well-being. This portal is updated each week with articles, videos, advice, books and recommendations from specialists.



Urban Sport Club: Corporate benefit for all corporate employees where access to Urban’s associated centres is offered at a reduced rate in several sports centres.

Each of the Company’s workplaces has an **Emergency Teams** trained in administering first aid. Annual drills that included both environmental and occupational health and safety scenarios were carried out at the SEVESO Plants, with a view to ensuring worker safety at all times. Courses on the “**Management of Emergencies**” continued to be updated for newly appointed members of the Emergency Teams, and during 2023 the prevention teams contracted by Redexis were given training on **the implications of the SEVESO regulations and emergency plans** put in place at our facilities.

The Company is also concerned about the well-being of its employees when they are away from their place of work, and for this reason it published its **Updated Mobility Plan** in December 2022. Training Courses to improve driving skills were offered, with practical sessions round the circuit at the ILUNION facility, while our Industrial Accident Mutual Insurance Company, La Fraternidad, gave road safety workshops using immersive virtual reality. The **Mobility and Road Safety Committee** continued to hold meetings.

The Company successfully passed in 2022 an Audit of its **Healthy Workplace Certification** with a score of 90.5% out of 100%, 0.7% up on our 2020 result (89.8%). This audit is biannual, but all actions to be included in the Healthy Excellence roadmap have been maintained for the December 2024 audit.

Meetings of the **Leadership Committee** of GEMASST were held with the aim of reinforcing the leadership shown by Senior Management and its commitment to issues relating to occupational health and safety and the environment.

In 2023, the Company obtained the recertification for its **Occupational Health and Safety Management System** under ISO 45001:2018 further consolidating the Company’s commitment and its leading position in the area of Occupational Health and Safety, the Environment and Energy, through an Integrated Management System for all of its business activities.

/ Health and Safety KPIs

Combined rates			2023
Employees	M	F	TOTAL
Number of Hours Worked (NHW)	510,048	208,208	718,256
Accidents	0	1	1
Accidents without sick leave	1	0	1
Accidents with sick leave	0	0	0
Severe accidents	0	0	0
Fatal accidents	0	0	0
Days lost			0
Days lost due to sick leave			0
Frequency rate			0.00
Severity rate			0.00
Contractor	M	F	TOTAL
Number of Hours Worked (NHW)	704,109	0	704,109
Accidents	0	2	2
Accidents without sick leave	0	0	0
Accidents with sick leave	2	0	2
Severe accidents	0	0	0
Fatal accidents	0	0	0
Days lost			0
Days lost due to sick leave			33
Frequency rate			2.84
Severity rate			0.05
TOTAL	M	F	TOTAL
Number of Hours Worked (NHW)	1,214,157	208,208	1,422,365
Accidents	0	3	3
Accidents without sick leave	1	0	1
Accidents with sick leave	2	0	2
Severe accidents	0	0	0
Fatal accidents	0	0	0
Days lost			0
Days lost due to sick leave			33
Frequency rate			1.41
Severity rate			0.02

The combined rates are calculated as follows:

Frequency rate =
(Accidents with sick leave * 1,000,000) / Hours worked

- Accidents with sick leave (AWL) = AWL involving (workplace accident reports notified by the Company by Delt@ official electronic declaration) + AWL involving contractor's personnel (workplace accident reports notified by the contractor by Delt@ official electronic declaration and communicated to the Company).
- Number of hours worked (NHW) = HW by Company's own staff (Working hours registered by HR for company's own staff) + HW by contractor staff (Hours worked by contractor staff and notified to the Company in a SAD – Statistical Accident Data – form on the integrated management system).

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

- No. of days lost (DL) = No. days off due to workplace accident.
- Number of hours worked (NHW) = HW by Company's own staff (Working hours registered by HR for company's own staff) + HW by contractor staff (Hours worked by contractor staff and notified to the Company in a SAD – Statistical Accident Data – form on the integrated management system).









6.3 OUR SUPPLY CHAIN

The Company regards its suppliers as key stakeholders within the organisation, and one of the Company's principal objectives is therefore to ensure sustainable management within the supply chain.

Since 2020, the Company has a **Supplier approval, monitoring and evaluation policy**, the aim of which is to ensure that any third party that supplies goods or services is qualified in accordance with the Company's own standards of transparency and business ethics, health and safety, quality and the environment, thus promoting competition and a search for added value.



This Policy includes a **Code of Conduct for Suppliers** which deals with issues relating to:

-  Labour rights.
-  Combating bribery and corruption.
-  Confidentiality.
-  Health and Safety.
-  The Environment.
-  Compliance with the RG Code of Conduct.

The Company seeks working with suppliers that have the same **commitment to social and environmental matters** as the Company and consider it essential to achieve its sustainable development goals. In order to ensure the responsible management of its supply chain, **the Company includes occupational health and safety, social and environmental objectives**

in its agreements with suppliers.

The Company's general contracting conditions include a section on environmental protection and, when an invitation to tender is issued, the internal regulation entitled "Supplier Environmental Responsibility and Health and Safety" is always included.

The Company has a Registry database (RePro, external supplier classification system) for Spain, in accordance with Act 9/2017 of 9 November on contracting procedures in the water, energy, transmission, and postal services sectors. The Company relies on this Registry both for the approval of suppliers and for monitoring their documentation, certifications and audits. This reduces risk, costs and potential compliance problems with regard to procurement. With the aim of detecting actions that can be corrected, audits are carried out on suppliers with a higher procurement volume, and any non-conformities detected result in changes that the supplier must resolve within the established period. 7% of the Company's suppliers with a turnover of

more than Euros one hundred thousand have been audited by Achilles Repro during 2023, and all of these suppliers passed the audit. In 2023, 44% of total providers are registered in RePro, and therefore comply with its audits and controls

Furthermore, in 2023, the Internal Audit and Risk team evaluated the Company's critical providers, considering economic, environmental, social and governance factors in their analysis, performing a detail review of the Company's 22% business share.



Wherever possible, The Company includes responsible parameters in its competitive tendering processes, such as the acquisition of energy that is guaranteed to come from renewable sources and the hiring of suppliers that can show special employment centre certification.

6.4 END USERS AND CUSTOMERS

The Company is committed to transparency in communicating with and informing the market, and it strives to ensure open and constructive communication with all the parties involved, studying and creating mechanisms for dialogue and mutual understanding.

Stakeholders	Communication channels
End users and customers	<ul style="list-style-type: none"> Corporate website (www.redexis.es) Call Centre Call Centre for non-regulated customers – new in 2023 Control Centre Falcon LPG invoice portal "I read my meter" (<i>Yo leo gas</i>) app and IVR readings
Employees	<ul style="list-style-type: none"> Employee Portal (Intranet) Training platform (Redexis Campus) Internal whistleblowing channel Redexis Commitment Mailbox Prevention of Occupational and Environmental Risk Internal platform for the Management of Energy, the Environment and Occupational Health and Safety (GEMASST), containing all the information and documentation relating to the internal management system Healthy Mailbox Well-being Platform COVID-19 information Mailbox Mailbox for equality issues Internal Audit Mailbox
Financial Community	<ul style="list-style-type: none"> Corporate website Investors Investor mailbox: investor.relations@redexis.es. Personal contact with contact with shareholders, investors, analysts, rating agencies and financial institutions Reports and notes on the Company's activities
Service providers and suppliers	<ul style="list-style-type: none"> Supplier Portal Annual conventions RePro (Achilles)
Public authorities and regulatory bodies	<ul style="list-style-type: none"> Personal contact with bodies belongs to the different regulatory areas (CNMC, the Ministry, regional and local organisations, etc.) Reports and notes on the Company's activities Notifications, requirements, and responses with different regulatory bodies Consultations/procedures with different national, regional, and local regulatory bodies Technical Manager of the Gas System
Community	<ul style="list-style-type: none"> Corporate website (www.redexis.es) Corporate communications mailbox Press releases Information meetings (interviews) Institutional meetings Corporate and institutional events Membership of corporate, sector, educational, cultural organisations Participation in conferences, forums, and seminars Sponsorships in the towns and cities in which the Company operates

COMMITMENT WITH OUR CLIENT'S SATISFACTION

With the aim of continuing to improve bilateral communications with users and customers, another **annual satisfaction survey** was conducted during the last quarter of 2023. This telephone survey is to gauge the opinions of over 600 customers and users, show them that their opinion matters to the Company, and gather information to detect and implement improvement plans.

Field work on the survey was carried out in October 2023, and it was aimed at the following customer and end user groups:



Customers who had contracted natural gas services more than 12 months before.



Customers who had contracted the piped LPG services more than 12 months before.



Customers who had recently contracted natural gas services.



Customers who had received a regular inspection during 2023.

For natural gas customers, their NPS (Net Promoter Score) stands at 22.1 points, almost double the 2022 result, being even higher for contracts starting from 2020 onwards where it rises to 29.6. In addition, the natural gas service meets the needs of 97% of customers, with the most valued aspect being "Comfort and convenience", which was mentioned by 74% of customers.




For LPG customers, their NPS also increases to 18 points, satisfying the needs of 96% of customers, where "Comfort and convenience" also remains the most valued aspect, mentioned in this case by 80% of customers.

For customers who received a regular inspection, the NPS is 39.9 points, with more than one customer out of two stating that they would recommend the service. Customers rate the service provided by the technician positively and above the previous year (8.7 on average) and those who were attended to by the call centre also give a good rating (7.3 on average), above the previous year.



COMMITMENT WITH USERS AND CUSTOMER CARE

The **customer and user care model** is basically structured via 3 channels:

-  Customer service (CAT) separating regulated and non-regulated customers by means of two different telephone numbers.
-  Emergency response centre, available 24/7 by CAT.
-  Website.

The Company prioritizes guaranteeing the safety of consumers and society. The Company possesses **modern infrastructure** and is maintained to high operational standards. Transmission gas pipelines are constructed from steel pipes plus a highly resistant polyethylene outer coating that protects them against corrosion and extends their working life. The Company subjects its infrastructure to a series of preventive, predictive and continuous improvement measures, as indicated in its asset integrity management plans.

In addition, the Company has a remote cathodic protection management system to monitor and control this protection.

The **Control Centre**, located in Zaragoza, performs a permanent surveillance over the access to facilities and has up-to-date information on the training of all the people who access them. The Company makes an Emergency Call Centre available to all users connected to its distribution networks, with a 24/7 service that is in permanent contact with the Control Centre, which receives information and makes a preliminary classification of consumer emergencies at its reception facilities. This CAT can also receive messages from other emergency services (police, firefighters, 112, etc.) and immediately passes them on to the Control Centre, which manages the resolution of any incident and the safety of the facility in question.

Among other measures, the Company has an **internal operational standard for dealing with distribution**

warnings which are received and processed through the CAT. The Warning Service is a permanent service created to respond to telephone calls relating to incidents in the gas supply or gas equipment (whether owned by the distribution Company or the user) and to manage, coordinate and resolve these incidents to the extent that this is within the power of a gas distribution Company.

The Control Centre's SCADA system uses a variety of sensors, control units




and communication equipment installed in the field to collect the measurements and status of the different parameters that define how the Company's main installed equipment is operating in real time, thus safeguarding the health and safety of consumers. Contact information for both the Telephone Call Centre and the Control Centre are published in the Company's website and are available to anyone who may detect some kind of anomaly in the equipment.



Apart from the SCADA, the Control Centre handles all the logistical management of the LPG facilities making significant efforts to fit remote measuring equipment that will provide it with information on tank levels daily. Recently, a brand-new telemetry system based on deposit levels photographs has been deployed in the small LPG deposits, with an image recognition system, gathering information and avoiding unnecessary commuting.

The response to any incident is governed by internal procedure and protocols. Periodic drills are conducted involving all resources dedicated to such actions to ensure an optimal response in the event of a real emergency.

As regards **complaints from users and customers**, these are managed from 3 areas:

-  Natural gas distribution.
-  Sale and distribution of LPG.
-  Photovoltaic installations.

A quarterly report is sent to the CNMC confirming the volume of claims, their type and the time required for their resolution. For example, in Third Party Network Access (TPA), which accounts for approximately 88% of all customers, the complaints system is created in a standardized way for all sellers and distributors. In other words, the categories and sub-categories have been created by the CNMC, and the Company adheres to them. The main entry channel (more than 95%) is the SCTD industry tool, the Transmission-Distribution Communication System, and all messages and the response circuit are defined at industry level. These quarterly reports are used by the regulator to monitor the evolution of claims in the natural gas sector, and it generates its own reports and tables.

The Commercial Cycle department is responsible of monitoring and maintaining an optimal level of claims thanks to a proactive management and communication with all Company's departments. During 2023 and for the regulated business, a total of 79,317 complaints or claims were received, of which 98.80% were resolved during the year. For the non-regulated business, 284 queries, incidents or complaints were dealt with this year, and 90% of them were resolved in 2023, in an average time of 27 days.

The Company also deals with potential claims received via the external complaint communication channel, though this is not the channel that should be used for submitting claims. When it receives claims via this channel, these are forwarded to the Business Cycle department, which analyses the complaint, allegation or claim and, in turn, forwards it to other departments or services like the CAT when it refers to questions relating to queries or claims about billing and

meter readings, to the Utilisation Department, when communications refer to the inspection of facilities or to the IT Department, when communications refer to incidents relating to the website. Once the complaint, allegation or claim has been resolved, these units report this to the Commercial Cycle department, as well as to the legal services department (owner of the external complaint communication channel).

For non-regulated customers, the Company has another Call Centre with business hours attention (from 8 a.m. to 8 p.m. M-F) that receives incidents and queries or requests from customers with the aim of trying to resolve as many as possible on the first call, for which they are connected to different information systems run by the Company. Incidents that are not resolved in the same call are handled by the Call Centre by requesting information from different Company departments (construction, maintenance, billing, etc.).



6.5 SOCIAL ACTION

The Company is strongly committed to local development and job creation in the regions in which it operates.

The convenience and reduction in emissions that come with the use of natural gas and even more so the use of renewable energies when compared with other conventional energies represents an important contribution by the Company towards the service and industrial sectors, as well as towards public

administrations. Thanks to its gas supply, the Company helps numerous companies and institutions to be more competitive, bringing them savings on their bills of between 20% and 50%. This can also be seen in the service sector, since many hotels, educational centres, residences, hospitals, hospitality establishments, sports enters and authorities, among others, enjoy much lower bills thanks to their use of natural gas, while also contributing to the reduction of emissions and enjoying greater competitiveness. As regards the industrial sector, Redexis helps a large number of industries to improve their production processes through access to gas, an important element in support of economic growth, competitiveness, and job creation.

The Company is also strongly committed to the economic development of the regions in which it operates and seeks to create employment by hiring local service providers and their supporting enterprises. The business activities

engaged in by the Company involve the creation of around 2,000 indirect jobs, with the resulting social contribution that this represents for all the territories in which it operates.

Through the Company's different regional departments, constant dialogue is maintained with the autonomous, local or island administrations, as well as with the relevant actors in these territories.

The Company works to boost the economy of the territories in which it operates, making great efforts to guarantee security of supply, employment and the improvement of the quality of life of the inhabitants of those areas, devoting a portion of its profits to social investments. To do this, it generates employment in these areas and makes its purchases and investments locally, while at the same time maintaining a firm commitment to safeguarding the environment.

6.6 REDEXIS FOUNDATION

The Redexis Foundation was founded in 2019 and entered in the Register of Foundations on 20 January 2020. The Foundation's aim is to serve as an agent for energy transition and to promote the social projects engaged in by the Company.



Through its promotion of social action and support in both the cultural and sporting arenas, the Redexis Foundation shows its firm commitment to the United Nations Sustainable Development Goals, and it was within this framework of economic, social and environmental responsibility that the Redexis Foundation was born.

One of its main objectives is to ensure the development and well-being of the people who live in the territories in which the Company operates, always bearing in mind the Company's contribution to sustainable development and a clean economy. The Redexis Foundation is firmly committed to the United Nations Sustainable Development Goals.

The Redexis Foundation is founded on the following key values:



Assist

By providing help to vulnerable groups.



Divulge

Knowledge of renewable energies.



Collaborate

In the promotion of culture and sport.

During 2023, **The Redexis Foundation engaged in sporting, environmental, cultural, collaborative and educational projects.**



SOCIAL PROJECTS

One of the main areas in which the Redexis Foundation is active is the development of social works and projects aimed at assisting vulnerable groups that are at risk of exclusion. In February, the Redexis Foundation made a **financial donation to the Emergency Committee** to help the over 10,000 victims of the earthquake in Turkey and Syria, which caused a humanitarian crisis in the area.

Likewise, and due to the humanitarian crisis caused by the earthquake in Morocco, the Redexis Foundation made a donation of Euros 5,000 to the Emergency Committee to help citizens affected by the earthquake, to be used for rescue and to send basic hygiene products, shelter and food. The Emergency Committee is a group that is made up of six international organisations that have quickly and effectively come together in order to be able to help more people and save more lives. It comprises the NGOs Aldeas Infantiles SOS, Educo, Doctors of the World, Oxfam Intermón, Plan International and World Vision.

The Redexis Foundation also donated five litres of milk per employee to the Food Bank in response to an emergency call alerting to a lack of milk in its storerooms.

The Foundation also launched its **3rd Aid Line to support projects that contribute to improving quality of life for vulnerable groups, especially in terms of energy efficiency**. This is principally aimed at providing support and protection for people in situations of vulnerability, offering help with improving energy efficiency at facilities used by not-for profit organisations and assisting people with disabilities, with a particular emphasis on children and adolescents. The Redexis Foundation provided aid for organisations that offer support to these groups.

This third allocation of its Aid Line demonstrates the Redexis Foundation's commitment to society and the mitigation of social inequalities in different territories, and it forms part of its commitment to the well-being of society, improving people's quality of life and achieving greater social,

educational, environmental and cultural development. Within this framework of action, five beneficiary entities were

chosen to implement social projects, which will benefit almost 850 people in vulnerable situations.





- **AFES Salud Mental (Murcia)**, an organisation for people struggling with mental health problems, will provide multidisciplinary care for children and young people undergoing these difficulties or potentially at risk of suffering them, as well as guidance and training for teachers at educational centres that require it due to the profile of their students.
- **Aspanob (Palma)**, the Balearic Association of Parents of Children with Cancer, will use the aid to pay the costs of an apartment in Barcelona where family members may stay during hospital visits in the city.
- **Foundation Institute for the Social Integration (Fundación Instituto para la Integración Social, Zaragoza)**, works for the normalisation, in all areas of daily life, of people with disabilities, those who are dependent or at risk

of exclusion, facilitating their full social and cultural development. This project promotes interactive experiences through virtual reality glasses that can be used to simulate unfamiliar situations in which to develop and train skills that promote personal autonomy and social inclusion in real life.

- **Fundación Purísima Concepción - Hermanas Hospitalarias (Granada)**, an organisation that provides care for people with functional diversity. It will create a room with halogenerators to improve the quality of life of people with cognitive, motor and sensory functional diversity and with respiratory diseases.
- **Tupujume (Madrid)**, an association of boys and girls with intellectual disabilities, will use the grant provided by the Redexis Foundation to organise an indoor football team and a basketball team for these children.

SPORTING PROJECTS

The Redexis Foundation is committed to creating value for towns and cities and their communities by promoting sporting activities and taking an active part in the social life of those communities.

The collaboration agreement signed with **Mérida Sporting Club** in 2022 remained in place during 2023, under which it provides support for the promotion of the women's football team in this town in Extremadura. This collaborative agreement focuses on the sporting activities of the Asociación Deportiva Mérida SAD's women's team, which plays in Extremadura's First Division. Players in both the principal and secondary uniforms will wear the Foundation's logo during the 2022/2023 season.

The Foundation is also collaborating with the **Sala Zaragoza** women's team during the 2022/2023 season. This team provides an example of sporting integrity in the city that is consistent with the Foundation's undertaking to support values such as improvement and teamwork, reinforced by its backing for sporting activities. Through its

collaboration, the Redexis Foundation demonstrates its commitment to sporting activities and the importance of making such activities available to all of society. In this case it has given its backing to a club that has already become a beacon for the city of Zaragoza and that is passing on its sporting values to all of its inhabitants with its support for women's football.

In 2023, the Foundation has continued to support the Villatobas Sports Schools, helping to purchase sports equipment and promoting the practice of sport in the area.

Lastly, the Redexis Foundation is collaborating with the **Tennis Federation of the Region of Murcia**, through a financial aid that will be used to continue promoting and encouraging the sport of tennis and contribute to its development in the region.

These collaboration agreements also mean that the Company's employees in these areas can gain access to matches free of charge and enjoy

them with all the family, which is a way of introducing employees' children to sports that they can enjoy while learning about values such as competitiveness and teamwork.

ENVIRONMENTAL PROJECTS

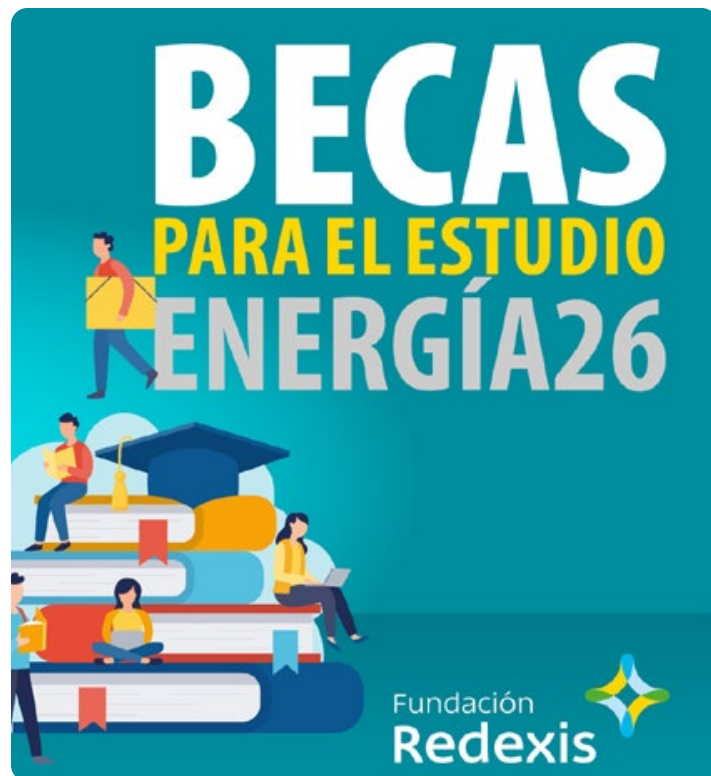
Planting and reforestation of a plot of land in the province of Zaragoza, in collaboration with "El Bosque de los Zaragozaños", in which the Company employees and their families participated.

COLLABORATIVE AND EDUCATIONAL PROJECTS

The Foundation has provided financial assistance for the **Aragón Hydrogen Foundation Awards for Doctoral Theses and master's and bachelor's Degree Course Dissertations**, with the aim of encouraging research into the subject of hydrogen as an energy vector. Specifically, the Redexis Foundation sponsored the "2022 Redexis Foundation – Aragón Hydrogen Foundation Award" for the best Doctoral Thesis.



With one of its main lines of action being that of dissemination and knowledge, the Redexis Foundation has launched the “Energía 26” study grants for the children of the Company employees undergoing baccalaureate studies, intermediate/ higher vocational training or bachelor’s degree studies in the 2023/2024 academic year, with the aim of encouraging and recognising academic effort and promoting development in the educational sphere.



The Redexis Foundation remains in continuous contact and collaboration with other foundations and institutions in the sector, maintaining a fluid and constant dialogue. It actively collaborates with different associations such as:



Spanish organisations

Aemener, the Spanish Association of Women for Energy, which aims to ensure the presence of women with balanced and diversified teams in all areas of business. In 2023 it participated in the AMENER STEM Careers Fair, presenting a prototype of a hydrogen car.



Regional organisations

Aragón Foundation for the Development of New Hydrogen Technologies, a private, not-for-profit research centre created in order to promote the use of hydrogen as an energy vector.

As part of its commitment to transparency, the Redexis Foundation published its **2023 Annual Activity Report**, in which it gave an account of all the social, cultural, educational, environmental and collaborative work carried out by the Foundation over the course of that year.

6.7 INNOVATION

Innovation at the Company is a fundamental support to ensure that our activities become increasingly sustainable as a comprehensive energy infrastructure company. This focus maximises growth and efficiency, supports the energy transition, and promotes the development of sustainable infrastructures through the management of our networks and other assets.

The Company has an Innovation Department that facilitates the cross-functional flow of knowledge across all activities, ensuring that each project has the necessary resources, knowledge, and participation for its development. The innovation model revolves around the organisation's primary asset: its people. The Company boasts significant innovative potential due to its internal talent, specialised personnel, and a strong commitment to understanding the evolving energy sector.

The main pillars of innovation are driven by personnel who, although not specifically part of the innovation Area, contribute to its efforts by coordinating and unifying efforts towards common goals. This approach encourages all staff to participate in innovation through the following channels:

- **Stable Internal working groups:** Focused on the organisation's innovation lines, where key issues are discussed and proposed, including the Technology Working Group and the Project management Office Group.

- **Specific working groups for new Proposals:** Formed to seek funding or resources for new projects, incorporating personnel from all necessary areas.
- **Specific Working Groups for Each Project:** Established to jointly set objectives and monitor progress, ensuring that results and lessons are integrated into the Company's activities.

Additionally, employees with the most relevant knowledge and judgement are invited to participate in various sectoral groups and with the administration, collaborating in the design and creation of the new regulatory framework.

The Innovation Area also coordinates participation in both the national (through CDTI, IDEA or various Ministries) and international innovation ecosystems (through European calls such as Horizon Europe, or organisations like FCH JU or Clean Hydrogen Alliance, among others).



To ensure that all Company personnel are invited to participate in the innovation process, the INNOVO Company awards are held. In 2023, all employees were able to present their ideas, detailing key implementation aspects and potential outcomes through specific forms for two categories:

Quick Wins: Simple, innovative ideas that can be implemented in the short term or small improvements that can be immediately applied to generate an impact on current processes.

Big Wins: Ideas requiring detailed analysis and development for implementation.

The strategic lines of innovation are focused on:

- Digitalisation and Efficiency: Improving processes and activities.
- Integration and Hybridisation of Consumption technologies: Integrating and adapting customer installations to decarbonisation technologies.
- Development and Integration of Renewable Gases: Incorporating renewable gases into current and future activities.



The Company develops innovation projects aligned with the strategic lines. Many of these projects are carried out in consortia with public funding, falling within the scope of its participation in SDG 9.

Some of these innovation projects in 2023 are the following:

OCEANH2

MISIONES OceanH2

The aim of which is the development of marine plants for the production, storage, transmission, distribution and supply of renewable hydrogen produced using wind and photovoltaic energy obtained at sea. The Company is responsible for studying the various technologies that form the logistical and technological chain for hydrogen produced at sea, and for designing solutions that will allow the hydrogen to be transmitted from the plants in which it is produced and stored.



MISIONES Zeppelin

The Company is working on the development of technologies for the production and storage of green hydrogen based on the use of waste and secondary products in order to improve cost and efficiency. The Company analyses the different technologies for ammonia synthesis, storage and catalytic decomposition, with the aim of designing a module plant for ammonia production, storage and service from renewable Hydrogen, and for ammonia decomposition in order to liberate the Hydrogen.



H2020 Higgs

The main objective of the project is to address knowledge gaps regarding the impact that various levels of hydrogen could have on gas infrastructure, its components, and its management, as a means to reduce the CO2 footprint. The Company participates in all project tasks, providing technical support, and, specifically, acquiring necessary equipment for validation and participating in the constructed tech bench.



This project has received funding from the Fuel Cells and Hydrogen 2 Joint Undertaking (now Clean Hydrogen Partnership) under Grant Agreement No. 671601-1 HIGGS. The Joint Undertaking receives support from the European Union's Horizon 2020 Research and Innovation program, Hydrogen Europe and Hydrogen Europe Research.



PRISMA

AEI Prisma

Whose objective is the implementation of sustainable artificial intelligence for the development of a predictive model of LNG consumption and its application for process optimization and reduction of associated carbon footprint.



CANDHy

HE CandHy

The objective of which is to analyse the compatibility of metallic materials (other than steel) in the gas distribution network in the presence of hydrogen, in order to facilitate its distribution in these networks by blending or using 100% hydrogen-dedicated systems.



The CANDHy project has received funding from the Clean Hydrogen Partnership under Grant Agreement No 101113893. This Partnership receives support from the European Union's Horizon Europe Research and Innovation program, Hydrogen Europe and Hydrogen Europe Research.



HE Shimmer

The project seeks to enable greater integration of non-fossil gases and safe management of hydrogen injection in multi-gas networks while strengthening knowledge of the risks and opportunities through various activities.



The SHIMMER project has received funding from the Clean Hydrogen Partnership under Grant Agreement No 101113868. This Partnership receives support from the European Union's Horizon Europe Research and Innovation program, Hydrogen Europe and Hydrogen Europe Research.



AEI MODELAMEH2

The project aims to study the injection of renewable gases into the natural gas network, addressing the entire value chain from production and conditioning of flows to its impact on end consumers. It proposes the digitization and automation of the different stages and technologies involved in the process, using Computational Fluid Dynamics (CFD) models to predict flow patterns.



07

OUR COMMITMENT TO GOVERNANCE



7.1 NEW AND UPDATED GUIDELINES

During 2023, the Company continued to develop the necessary regulations for the implementation of the code of conduct as well as the materialization of its sustainability commitments.

- **Regulation GOB 21:** Action protocol for the submission of claims against third parties as the result of damage or harm.
- **Regulation GOB 22:** Processing applications for the connection of renewable gases to the network.
- **Regulation GOB 23:** Company Vehicle Policy
- **Regulation COM 01:** Purchasing procedures and rules.



In this regard, the “Campus Redexis” employee training platform has provided various courses and content to employees to facilitate their ongoing professional development.

Specifically, the main training programs available to employees include:



Training on the Renewable Gas Connection Request Standard.



Course on the Code of Conduct: This course explains the Redexis Group’s Code of Conduct, its applicability, and its fundamental principles.



Training on the damage and Injury to Third Parties Standard.



Course on the Procedure for Reporting Allegedly Irregular Acts and Whistleblowing Channels: The primary objective of this course is to inform employees on how to report potentially irregular or criminal acts committed by any person within the Redexis Group, and how the management processes the reports submitted.



Training on the New Procurement procedure.



Training on Personal Data protection.



Corporate Training for Directors

7.2 RISK MANAGEMENT

The Company prepares a **risk management** model which seeks to identify and evaluate risk sufficiently in advance in order to allow it to be anticipated, forecasting any effects and taking advantage of any opportunities that might be attached to the risk in question. The Company manages this through its risk management system known as **Enterprise Risk Management (ERM)**, which coordinates activities on the basis of international standards COSO and ISO 31000. The Internal Auditing and Risk Department manages, evaluates and coordinates this risk, acting as a liaison between the individual departments, General Management and the Chair's Office, thus facilitating and overseeing the implementation of practices and measures for the management of this risk with the aim of minimizing or mitigating it. This department provides a logical and systematic model that allows decisions to be made and responses to be given efficiently in the face of any potential threats and opportunities that may arise.

By means of its **Risk Management and Control Policy**, approved by the

Board of Directors in 2020, the Company undertakes to deploy all of its skills to ensure that any important risk is properly identified, assessed, managed and monitored. The risk manual was approved in October 2021, and is where the management procedure covered by the policy is developed.

All actions taken to monitor, manage and mitigate risk adhere to the following **basic principles**:



Integrate the Company's decision-making and target-setting processes with its risk management.



Optimise the management and monitoring of risk from the perspective of a global view of the organisation.



Continually evaluate the risk mitigation mechanisms, in order to guarantee their suitability, the adoption of best market practices and the correct use of these practices.



Separate duties in a suitable way in order to identify those responsible for the analysis, control and supervision of risk.



Align all the specific policies that need to be developed in respect of risk within the organisation with the Risk Management Policy.



Act within the Law and in accordance with the values set out in the Code of Conduct that applies to the organisation.



Provide complete and transparent information on the principal risks at the Company and the mechanisms for the management of that risk to anybody or regulator that may require it, maintaining suitable channels to assist communication.



Preserve the health and safety of the people who work at and for the Company and guarantee respect for the environment.

The Risk Management System includes the appropriate definition of duties and responsibilities and the way in which they are to be allocated during the various **process stages and activities**, and these mainly include:



Identifying the relevant risks in strategy and planning, financing, ethics and compliance, reporting and operations and infrastructure, among others, taking account of its potential effects on key management objectives and the development of the Company's business.



Implementing and monitoring compliance with policies and guidelines using suitable procedures and systems, including the contingency plans necessary to mitigate any impact caused by the materialization of risk.



Continuously assessing the suitability of the system and best practices and recommendations relating to risk issues with a view to their potential incorporation in the model.



Carrying out an analysis of these risks as a key element in their management.



Evaluating and monitoring risk using common and uniform procedures and standards.



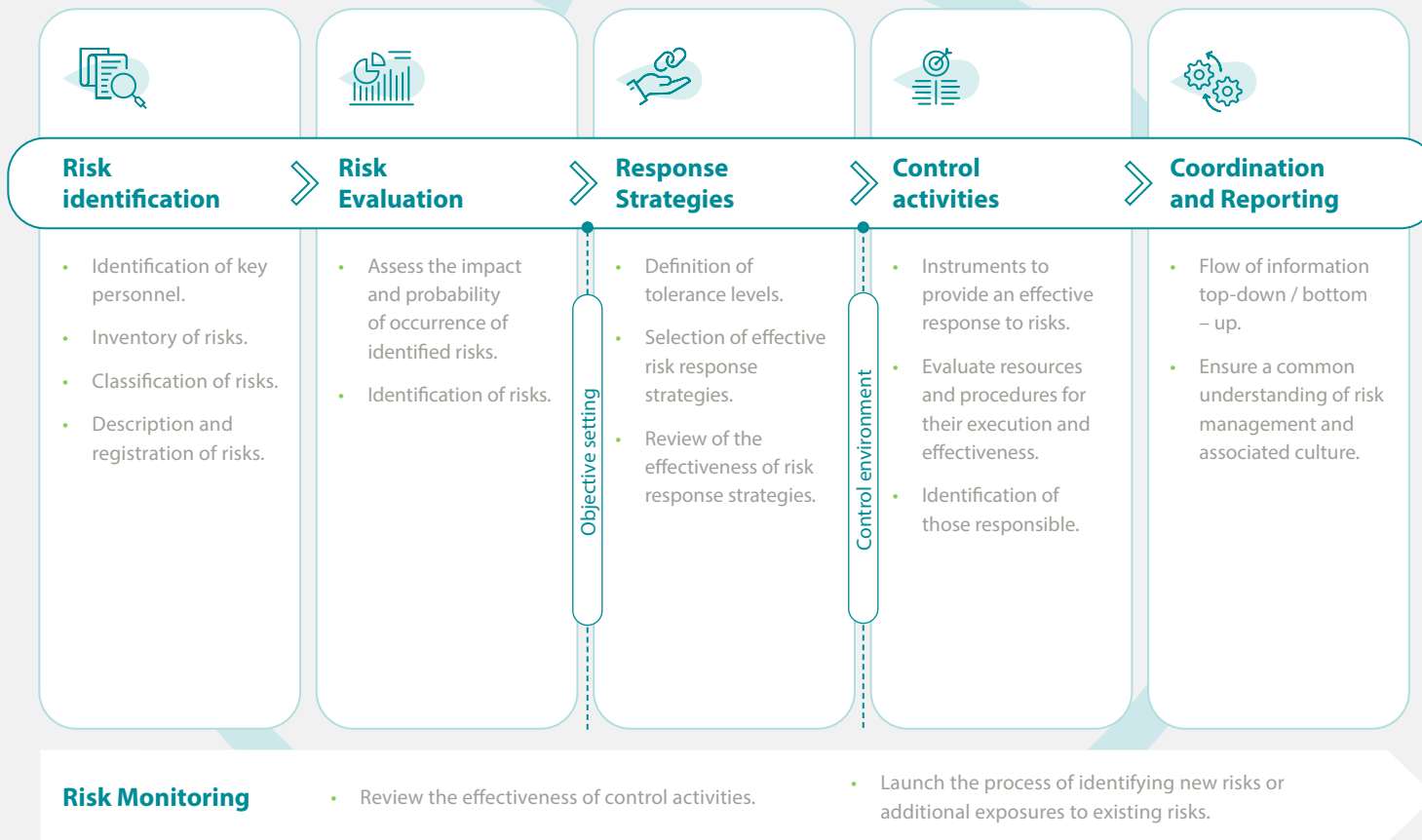
Establishing a structure of controls and limits that assist in ensuring that any risk is managed in an efficient way.



Reporting the results of monitoring and managing risk, regularly and in a transparent way.



/ Risk assessment processes



In this regard, the **risk management system** comprises three stages:

01

Firstly, an **assessment** stage, in which risk is identified and evaluated. This includes the definition, classification and measurement of its impact and probability, based on criteria approved by the Company.

02

Secondly, a **management** stage, in which strategies are defined for responding to the risk in question, and the agreed control instruments are monitored.

03

Thirdly, a **follow-up** stage, in which regular reports are made on the events occurred. During this stage, the control instruments are modified according to the results obtained, and action plans are adjusted.

The Company has a **risk management manual**, along with a **risk committee**, the aim of which is to facilitate better monitoring and, in the event that a risk materialises, provide a priority response. There are also regular reporting sessions between the different business and corporate departments and the risk department which guarantee the monitoring of risk. The ultimate aim is to achieve continuous improvement in order to prevent, anticipate or mitigate any potential risk and take advantage of any opportunities that may arise.

The main **risks relating to sustainability that are associated with the sector and marketplace in which the Company operates**, for which plans and models are created on an annual basis, are the following:

Risks relating to people (management):

Risks arising from the management of individual talent, including measures to reinforce employee commitment to the Company and its values.

Cybersecurity risk:

Associated with external or internal factors that may affect systems as the result of attacks.

Risk of loss of biodiversity and water resources. Environmental or personal risk:

This involves a set of risks arising from the performance of the organisation's day-to-day operations and given their nature they are managed in order to guarantee the safety of persons, safeguard assets and protect water resources and the environment.

Reputational Risk:

This includes risks associated with external and internal factors that may have a negative impact on brand image. The Company is aware of the growing demands from society for greater active and voluntary contribution to the achievement of social, economic and environmental improvements by companies. In this regard, the Company is committed to including these considerations in its decision-making processes in a transparent way, with the

aim of establishing best practices that will contribute to the improvement of society.

Risk relating to ethics and integrity:

This includes both external and internal factors that could result in a lack of ethics or integrity. The Company believes that it is essential to ensure compliance with its code of ethics and the Company's own values, and it engages in annual actions to mitigate any lack of ethics or integrity.

Risks related to climate change:

Risks arising both from energy transition and from the potential warming of the globe that could lead to rises in average temperature. Based on this study, the Company carries out analyses of innovations and projects directed towards alternative energies.

Risk due to environmental catastrophe and external climate phenomena:

Risk arising from possible external factors that may affect the Company's

continuity. In this case, the Company draws up a continuity plan and has established protocols for action in the event that such factors materialise.

Risks related to compliance with good Corporate Governance:

Risks arising from the internal action framework in accordance with the Company's Code of Ethics, including the following key areas: the structure and independence of the Audit Committee, the composition of the Board of Directors, the supervision of ESG objectives by the Board of Directors, the structure and independence of the Remuneration and Compensation Committee, the regulation of possible conflicts of interest, shareholders' rights, management of delegation of powers, independence of the Board of Directors, existence of and internal and external whistleblowing channel, prevention of market abuse activities, relationships with public bodies and administrations, and prevention of money laundering, terrorism, bribery and corruption.

All of these risks, together with the action plans and activities engaged in to contain them, are submitted **regularly** to the **Audit and Risk Committee**, whose main duties are:

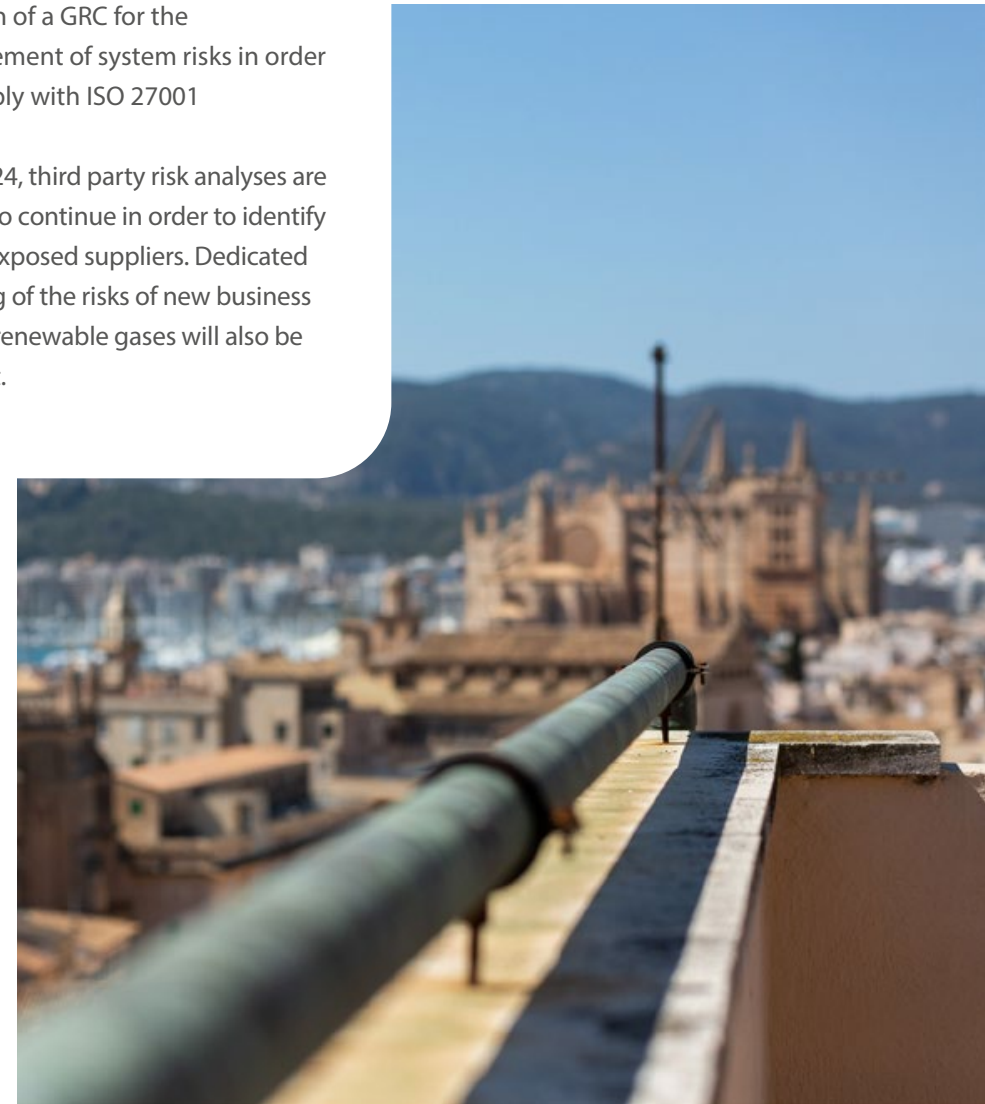
- Evaluating and reviewing Risk Management policies and practices.
- Overseeing the efficacy of risk control and management systems.
- Reviewing the Company's ability to identify any new risks that may appear.
- Ensuring that the Board receives regular information and reports on risk control.
- Monitoring the effectiveness of the Company's Risk Management System.
- Ensuring that both internal and external regulatory and legal requirements are met.

During 2023, the **main projects** carried out by the risk department have been as follows:

- **Company-wide training** on risks to promote the continuous identification of risks and the alignment of employees' risk appetite with that of the Company in all areas and positions.
- Definition of the **Third-Party Risk Management Policy**, for the management of risks associated with the value chain (reputational, sustainability, solvency, etc.) which is expected to be approved during 2024.
- Analysis of critical suppliers for the updating and standardising of the new supplier policy.
- Continuation of the continuity plan (Phase II) reinforcing the areas with the highest exposure detected in Phase I of the plan carried out during 2022.

- Creation of a GRC for the management of system risks in order to comply with ISO 27001

During 2024, third party risk analyses are expected to continue in order to identify the most exposed suppliers. Dedicated monitoring of the risks of new business related to renewable gases will also be carried out.



7.3 MATERIALITY ANALYSIS

During 2019, the Company carried out a **materiality analysis** in order to develop its strategy, defining and identifying its stakeholders and the issues that were most relevant to them. This analysis made it possible to establish priorities for the actions to be taken and to define strategies aligned with the expectations of these stakeholders.

The analysis involved four phases, consisting of an internal analysis to identify best practices and material issues in the sector, an external analysis in which the existing communication channels with stakeholders were defined, an assessment of material issues in which meetings were held with all divisions, and finally, generation of the materiality matrix with a list of relevant issues.

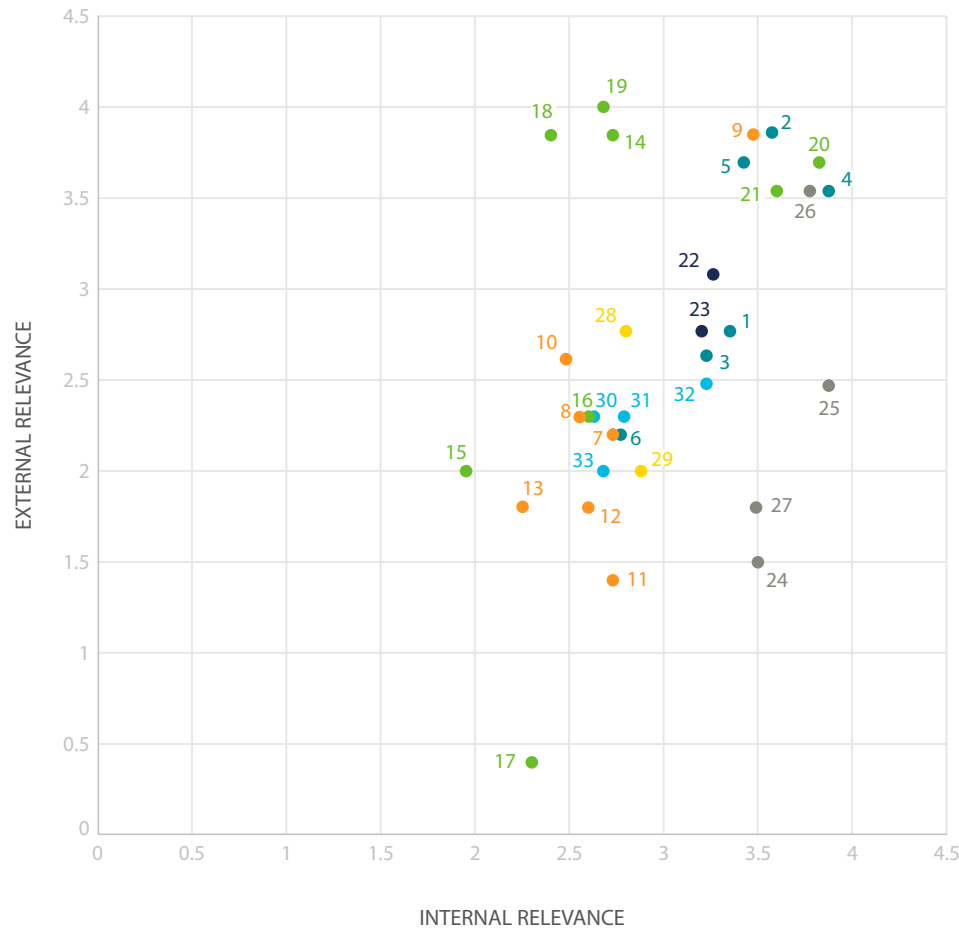
Thanks to this exercise, the Company has been able to move forwards with **the creation of economic, social and environmental value**, thus ensuring that the needs of its stakeholders are satisfied at all times.



In 2023, the Company continued to implement the measures and procedures identified in the 2019 materiality analysis. Due to the Company's obligation to report according to the new CSRD reporting directive, with data from the fiscal year 2025, which requires a materiality analysis, it was decided to postpone the new materiality analysis exercise to 2024. This decision was made to await the publication of EFRAG's recommendations for conduction the analysis, as well as the latest versions of transpositions of the information to be reported.



The materiality matrix obtained as a result of the exercise previously described shows the most relevant points and topics for the Company and its stakeholders.



ID	Name	Category
1	Responsible tax	Corporate Governance
2	Ethics, Integrity and Transparency	Corporate Governance
3	Good Corporate Governance	Corporate Governance
4	Regulatory Compliance	Corporate Governance
5	Risk Management	Corporate Governance
6	Integration of CR in the Business	Corporate Governance
7	Professional Development	People & Talent
8	Healthy work environment	People & Talent
9	Occupational Health and Safety	People & Talent
10	Diversity and Equality	People & Talent
11	Employee loyalty	People & Talent
12	Fair remuneration	People & Talent
13	Flexibility in the workplace	People & Talent
14	Establishment of environmental goals in emissions	Environment
15	Establishment of environmental goals in water	Environment
16	Establishment of environmental goals in biodiversity	Environment
17	Establishment of environmental goals in soils contamination	Environment
18	Circular Economy	Environment
19	Climate change adaptation Internal	Environment
20	Climate change adaptation External	Environment
21	Innovation applied to the use of sustainable technologies	Environment
22	Complaint resolution systems and Customer Satisfaction	Users & Clients
23	Quality of service	Users & Clients
24	Cibersecurity	Secure Infrastructure
25	Crisis and emergency management	Secure Infrastructure
26	Industrial Security	Secure Infrastructure
27	Security of supply (guarantee of supply)	Secure Infrastructure
28	Creating shared value (Social Investment)	Local Communities
29	Generation of direct and indirect employment	Local Communities
30	ESG criteria in the relationship with collaborators and suppliers	Collaborators & Suppliers
31	Extension of corporate culture to the supply chain (Compliance of codes and policies promotion)	Collaborators & Suppliers
32	Supply Chain Security	Collaborators & Suppliers
33	Audits and supervision systems with ESG criteria	Collaborators & Suppliers



7.4 OUR COMMITMENT AGAINST CORRUPTION AND BRIBERY

From a Corporate Governance perspective, the Company aims to continue making advances and taking all the necessary actions in the area of good governance. To this end, all of the internal regulations and procedures required to implement these actions at the Group have been approved.

In this regard, the Company has a **Code of Conduct** which provides a physical example of one of the aims of its strategy, namely the consolidation of a culture of Corporate Social Responsibility (CSR) in its corporate practices. This Code of Conduct sets out the Company's commitment to the principles of business ethics and transparency in all the areas in which it operates, establishing a set of principles and guidelines aimed at ensuring ethical and responsible behaviour by all Redexis Group employees in the performance of their duties. The Code determines the values and good practices that must govern business conduct and the behaviour of all the people directly or indirectly linked to the Company. The Code of Conduct also promotes

the **Company's commitment to the principles of business ethics and transparency** in all the areas in which it operates, establishing a set of principles and guidelines aimed at ensuring ethical and responsible behaviour by all employees within the Company in the performance of their duties.

For this reason, a number of internal regulations have been approved to convey the importance of these values to the Company's employees, notable among which are the following:

- **Regulation GOB 08**, on the prevention of money laundering, terrorist financing, bribery, and corruption.
- **Regulation GOB 02**, procedure for the notification of allegedly irregular incidents.
- **Regulation GOB 06**, on institutional hospitality.
- **Regulation GOB 07**, on relations with members of Public Administrations.

- **Regulation GOB 10**, on the **Prevention of Situations of Market Abuse**.
- **Regulation GOB 17**, on the Defence of Competition.
- **Regulation GOB 18**, on Conflicts of Interest.
- **Regulation GOB 19**, Criminal risk prevention plan.

Among the above regulations, it is worth highlighting the "**Regulation for the prevention of Money Laundering, terrorist financing, bribery and corruption**", the general aim of which is to develop a framework for the action to be taken by the Company within the general sphere of crime prevention and, in particular, to prevent any potential risk of bribery and corruption in deals carried out through third parties. No cases of corruption were reported during 2023.

Regarding Competition Law compliance, during the year 2023, no cases of corruption, collusive behaviour, abuse of dominant position, or

distortion of free competition through unfair practices have been reported.

In addition, and as a consequence of the legislative changes made in respect of criminal offences following the entry into force of Criminal Code Reform Act 5 of June 22, 2010 and Criminal Code Reform Act 1 of March 30, 2015, the Company approved **its Regulation GOB-19, “Criminal risk prevention plan”**, the aim of which is to establish a model for the organisation, prevention, management and monitoring of criminal risk at the Redexis Group and to guarantee the effectiveness of certain criteria for action and control procedures that will minimize such risks, thus ensuring compliance with the requirements set out in the Spanish Criminal Code.

In addition, the Company approved a **risk management and control policy**, in order to establish the basic principles and general framework for action to manage the risks faced by Redexis, guiding and directing the combination of strategic, organisational and

operational actions that allow the Board of Directors to strengthen compliance with the organisation’s objectives, within a framework of rigour and excellence directed towards ensuring safety and service in the performance of its activities.

The “Redexis Campus” offers employees a range of courses relating to the Company’s internal regulations, and content has been developed to allow them to continue to advance in their professional development. Particularly notable among the courses that employees have had access to are the course on the Code of Conduct and the course on the procedure for reporting allegedly irregular incidents.

Communication and transparency form an important part of the Company’s strategy to achieve its objectives in the area of corporate governance. All employees are informed about the approval of the different internal regulations as well as being able to consult them at any time on the Redexis Intranet.



7.5 OUR COMMITMENT TO RESPONSIBLE TAXING

The taxes paid by organisations represent one of their contributions to economic and social development and the maintenance of public responsibility in the country in which they operate. Against this background, compliance with current tax legislation always forms part of the principles that inspire the Company’s corporate responsibility.

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

Therefore, considering both its public and corporate interests, the Company has developed a **Tax Policy** that has been approved by its Board of Directors and that consists of complying with the following principles in the fulfilment of its tax obligations and in its relations with the tax authorities:



Compliance with current tax legislation: pay the taxes required under the legislation in force, adopting a reasonable interpretation of this legislation at all times while trying to avoid inefficiencies and undue tax costs for the Company as a result of this interpretation.



Renouncing the following actions: performing operations or creating structures that only pursue a tax advantage, structuring operations

that are artificial in nature or that do not relate to the Company's own activity, or making use of non-transparent structures in order to reduce its tax or burden, or making investments in or through territories classified as tax havens.



Transparency from the bodies involved in the Company's tax management vis-à-vis third parties

(shareholders, clients, suppliers, employees, regulatory bodies, etc.) regarding the tax principles described in this report.



Full cooperation with the Tax Administration

in their verification activities relating both to the Company and third parties, maintaining relationships based on good faith, cooperation, professionalism and reciprocity, notwithstanding any legitimate

disagreements that may arise when defending the interests of the Company and its Group.

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

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

In this connection, in July 2020 the Company approved the **Group procedure for the management and monitoring of tax risk**, which further developed its **Tax Policy**

and supplemented the Group's risk management and control system.

Redexis, S.A. and the subsidiaries that form part of the Spanish corporate income tax consolidation group number 0357/11 (hereinafter, the "Redexis Group" or the "Group") opted for the **Good Tax Practices Code on 25 November 2022** with the aim of improving the relationship with the Tax Administration based on the principles of good faith, transparency and legitimate confidence, and with the willingness to continue applying responsible tax policies in the different companies that make up the group.

The Company has decided to voluntarily provide, in December 2023, certain tax information summarised in the **Tax Transparency Report**, which is drawn up from the Appendix to the Good Tax Practices Code approved on 2 November 2015 by the Spanish Large Business Forum, because it considers that the provision of said information represents a

further step towards tax transparency that will provide greater legal certainty for the Redexis Group.

The Company informs that in this report, special emphasis is placed on those aspects that have or may have tax implications in Spain exclusively for the Group, and that the information provided in this report is confidential, true and reliable.

The Report has followed the guidelines on structure and content set out in the proposal for the reinforcement of good corporate tax transparency practices of companies adhering to the Good Tax Practices Code, approved on 28 October 2016.

The aim of the Code is to promote a relationship of reciprocal cooperation between the Spanish Tax Authority and the companies that have signed (186 to date). This relationship is based on the principles of transparency and mutual trust, which should therefore mean that it conforms to the principles of good

faith and trustworthiness between the parties, thus increasing the efficacy of the Authority's monitoring activities and reducing the legal uncertainty to which companies may be exposed, as well as reducing incidents of litigation between the two sides.

Together with its Annual Report and Annual Accounts, the Company regularly prepares and publishes its **Management Report**, which presents a detailed list of the operations the Company has performed during the financial year and sets out the Company's future plans, in addition to describing the work it has carried out in the area of research and development. This report can be accessed by all interested parties via the Company's website, along with the rest of the Company's corporate documents.

In addition, both the Company and the Group to which it belongs will adopt the necessary mechanisms to guarantee the monitoring of and compliance with tax regulations

and the principles set out above, ensuring that they have sufficient and suitably qualified external or internal material and human resources. In this connection, the Company always relies on external advice from recognised firms in the field, whenever it deems this appropriate.



08

ABOUT THIS REPORT



SCOPE

This integrated report covers both the main parent company and its subsidiaries. The information covers the period from 1 January 2023 to 31 December 2023.

The report analyses and reviews the company's activity, both financial and non-financial, during year 2023, largely based on the results obtained from the materiality analysis carried out, thus highlighting the Company's main issues and taking into account aspects of transparency and corporate communication.

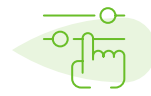
It also analyses the situation of the industry and the market, along with the Company position within it, its areas of influence, significant aspects and main business activities. We also present the year's financial and fiscal situation and compare it with previous years.

PREPARATION

All business units were directly involved in defining the content of this report. This involved the following system:



Identification



Prioritisation



Validation



Review



Approval and publication

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Customer Service Centre: 900 811 339

Submit meter readings: 800 760 577

Security and emergencies: Redexis has an Emergency Service available 24 hours a day, 365 days a year, to handle the necessary actions to ensure the safety of people and property, performing gas installation opening or closing operations and emergency actions in the event of any safety incidents: gas odour, fire, or explosion, as outlined in ITC-ICG-01 of the Technical Regulation for the Distribution and Utilisation of Gaseous Fuels approved by Royal Decree 919/2006.

To report any emergency, please contact Redexis Emergencies: 900 924 622

/ Corporate contact information

Corporate website: www.redexis.es

Communication: comunicacion@redexis.es

Investor Relations: investors.relations@redexis.es

Complaints: canaldenuncias@redexis.es



09

ANNEX 1
**ANNUAL CORPORATE
GOVERNANCE REPORT**

Redexis gas





ANNUAL CORPORATE GOVERNANCE REPORT
2023

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1. Introduction

The Redexis Group reaffirms its commitment to act in accordance with social, environmental and governance criteria that are both rigorous and sustainable. The Board of Directors of Redexis Energía, S.A. (hereinafter “**Redexis Energía**”) has therefore expressly agreed to the publication of this Annual Corporate Governance Report (the “**Report**”), even though it is under no legal obligation to do so.

This Report contains the most important corporate information from the 2023 financial year and, in general, all the material issues that shareholders and investors may consider important.

One key point from 2023 that should be particularly noted is that, in order to comply with the legally established principle that requires the separation of regulated activities from activities that are devoted to the production of gases, and in compliance with Article 63 of Spanish Hydrocarbons Sector Act 34 of 7 October 1998, the Redexis Group has completed a Corporate Reorganisation process consisting of: (i) incorporating the company Redexis Energía, so that it may act as a holding company for the corporate group, and (ii) simultaneously contributing Redexis S.A.U.’s shares to Redexis Energía, operations that were completed on 20 December 2023.

Given that the incorporation of the new holding company (Redexis Energía) took place on 20 December 2023, reference will also be made throughout this document to the corporate governance regime for Redexis, S.A.U., which until that date operated as the holding company for the entire Redexis Group.

To this end, the Redexis Group continues to be committed to the implementation of rules and best practices that will facilitate transparency for all the stakeholder groups with which it interacts.

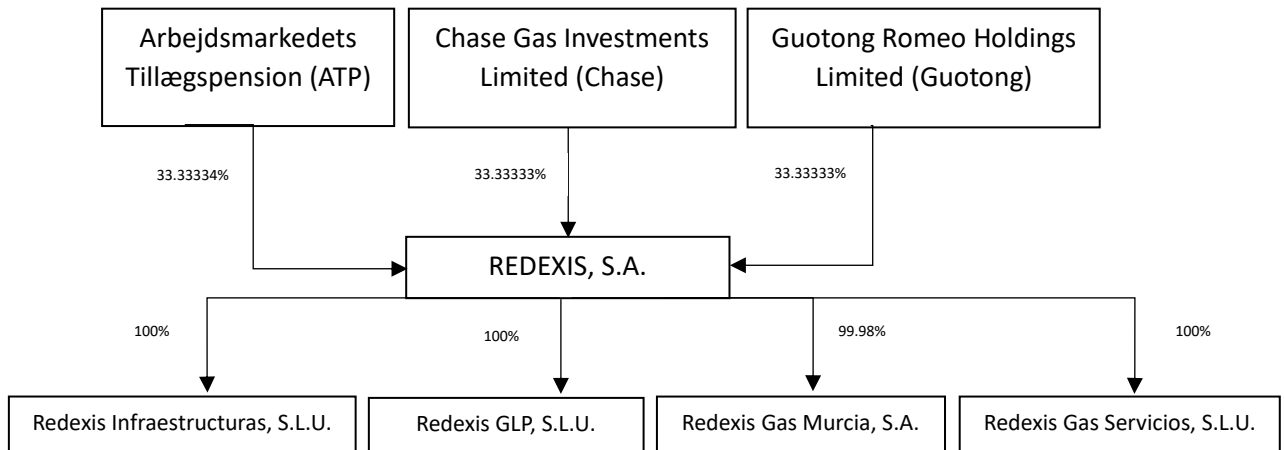
2. Corporate structure of the Redexis Group

2.1. Share capital

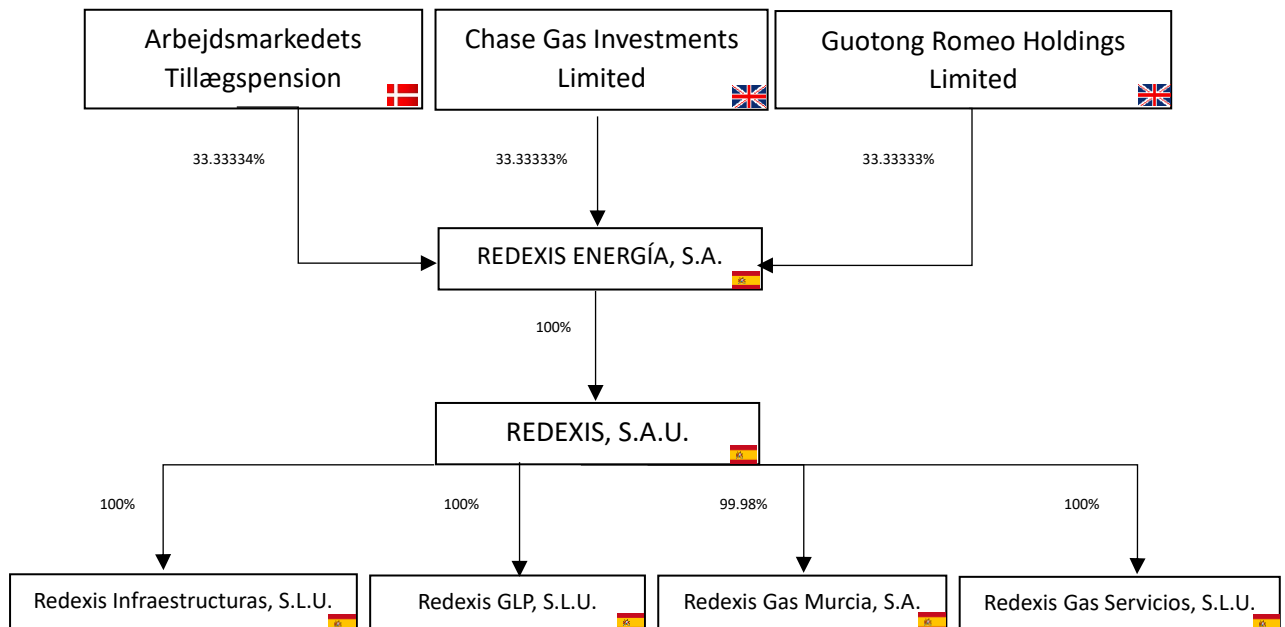
The share capital of both Redexis Energía and Redexis amounts to ONE HUNDRED MILLION EUROS (€100,000,000.00), represented by ten million (10,000,000) indivisible and accumulable shares, each with a par value of ten euros (€10), numbered consecutively from 1 to 10,000,000 (inclusive).

2.2. Shareholders

Until 20 December 2023, the date on which Redexis Energía was incorporated, the Redexis Group shareholder structure was as follows:



On 20 December 2023, following its incorporation with the contribution of all of Redexis’s shares, Redexis Energía became the Group’s parent company, and at 31 December 2023 it was structured as follows, down to the 4th level of shareholding:



As regards lower levels of shareholding, at 31 December 2023 the company Redexis Gas Servicios, S.L.U. (RGS) had holdings, in turn, in the following companies:

- (i) Biored Arévalo, S.L.U., owned 100% by RGS.
- (ii) Biored Bajo Cinca, S.L.U., owned 100% by RGS.
- (iii) Biored Cuellar, S.L.U., owned 100% by RGS.
- (iv) Biored Ejea, S.L.U., owned 100% by RGS.
- (v) Biored Calatayud, S.L.U., owned 100% by RGS.
- (vi) Biored Alcores, S.L.U., owned 100% by RGS.
- (vii) Biored Medina del Campo, S.L.U., owned 100% by RGS.
- (viii) Biored Cella, S.L., owned 75% by RGS.
- (ix) Biored Vegas Altas, S.L., owned 75% by RGS.
- (x) Eficiencia y Red Solar, S.L., owned 75% by RGS.

- (xi) Galivi Solar, S.L.U. (now Biored Lorca, S.L.U.), owned 100% by RGS.
- (xii) H2Duero, S.L., owned 80% by RGS, and
- (xiii) Energygreen Gas Almazan, S.L., owned 70% by RGS.

2.3. Beneficial ownership

According to the definition set out in the applicable regulations, neither Redexis Energía nor Redexis has a beneficial owner, since there is no natural person who holds title to or control over more than 25% of the company, either directly or indirectly. It is therefore considered that, at 31 December 2023, they were controlled by their respective Boards of Directors, whose members are the persons listed in Section 2.8 of this Report.

2.4. Treasury stock

During the 2023 financial year, neither Redexis Energía nor Redexis held or acquired any shares in the form of treasury stock.

2.5. Restrictions on the transfer of shares and restrictions on voting rights

In accordance with the contents of Article 7 of the Articles of Association of both Redexis Energía and Redexis, shares may be freely transferred, subject to the provisions set out in law. Furthermore, no restrictions are imposed on voting rights, meaning that every shareholder enjoys a percentage vote that is equivalent to the share that they hold in the company's share capital.

2.6. Shareholder agreements

On 21 December 2023, the shareholders that own all of Redexis Energía's share capital entered into a Shareholder Agreement which set out the regulations and clauses by which relations between them would be governed in respect of Redexis Energía. This agreement is confidential in nature.

Following the incorporation of Redexis Energía on 20 December 2023, Redexis became a single shareholder company, and the shareholder agreement that applies is therefore the one indicated above.

2.7. General Shareholders' Meeting

As regards the right to attend and to be represented at general meetings of the shareholders of both Redexis Energía and Redexis, Articles 13 and 14 of their respective Articles of Association

(the “Articles of Association”) apply, together with the contents of Royal Legislative Decree 1 of 2 July 2010, which approved the consolidated text of the Spanish Companies Act (the “Act”).

As regards the quorum required for the General Shareholders’ Meeting to be held, the contents of Article 12 of the Articles of Association of both companies apply, together with the contents of the Act. In turn, the quorum required for the adoption of resolutions is set out in Article 18 of the Articles of Association. Specifically, the adoption of resolutions relating to the amendment of the Articles of Association requires an absolute majority of votes at the General Shareholders’ Meeting.

2.7.1. Redexis Energía, S.A.

During the 2023 financial year, Redexis Energía held one General Shareholders’ Meeting (in extraordinary session) which was attended by all of the company’s shareholders and which adopted resolutions relating to:

- Approval of the remuneration of the Chairman of the Board,
- Approval of the remuneration of the Managing Director, and
- The appointment of auditors for the financial years from 2023 to 2025, both for the consolidated annual accounts and for the individual accounts.

2.7.2. Redexis, S.A.U.

During the 2023 financial year, Redexis held one General Shareholders’ Meeting (in ordinary session) which was attended by all of the company’s shareholders and which adopted resolutions relating to:

- Approval of the annual accounts for the 2022 financial year (both individual and consolidated).
- Approval of the application of the result.
- Approval of the administrative body’s management performance, and
- The appointment of auditors.

2.8. Administrative Body

Responsibility for the administration of both Redexis Energía and Redexis falls to a Board of Directors comprising a minimum of three and a maximum of eleven members, pursuant to the requirements of Article 19 of their respective Articles of Association.

The duration of each member’s mandate is six (6) years at both companies, notwithstanding the possibility of their being re-elected, resigning or being dismissed at the request of the General Shareholders’ Meeting.

As of 31 December 2023, both Boards of Directors had eight members and a secretary and non-board member, as shown in the following tables:

2.8.1. Redexis Energía, S.A.

Name	Date of appointment or most recent re-election	Category of board member	Position
Joaquín Coronado Galdos	20 December 2023	Non-executive	Chairman
Fidel López Soria	20 December 2023	Executive	Deputy Chairman and Managing Director
Li Bo	20 December 2023	Proprietary Director (proposed by Guotong)	Director
Liu Yuan	20 December 2023	Proprietary Director (proposed by Guotong)	Director
Niels Konstantin Jensen	20 December 2023	Proprietary Director (proposed by ATP)	Director
Soren Alverde Holm	20 December 2023	Proprietary Director (proposed by ATP)	Director
Gavin Bruce Merchant	20 December 2023	Proprietary Director (proposed by Chase)	Director
Maria Georgina Dellacha	20 December 2023	Proprietary Director (proposed by Chase)	Director
Ignacio Pereña Pinedo	21 December 2023	-----	Secretary and Non-Board Member

2.8.2. Redexis, S.A.U.

Name	Date of appointment or most recent re-election	Category of board member	Position
Joaquín Coronado Galdos	10 November 2022	Non-executive	Chairman
Fidel López Soria	1 January 2022	Executive	Deputy Chairman and Managing Director
Li Bo	14 July 2021	Proprietary Director (proposed by Guotong)	Director
Liu Yuan	16 September 2021	Proprietary Director (proposed by Guotong)	Director
Niels Konstantin Jensen	23 May 2019	Proprietary Director (proposed by ATP)	Director
Soren Alverde Holm	20 May 2021	Proprietary Director (proposed by ATP)	Director
Gavin Bruce Merchant	24 July 2017	Proprietary Director (proposed by Chase)	Director
Georgina Dellacha	24 May 2022	Proprietary Director (proposed by Chase)	Director
Ignacio Pereña Pinedo	19 March 2013	-----	Secretary and Non-Board Member

2.8.3. Professional profile of the Non-Executive Chairman.

Over the course of his professional career, Joaquín Coronado Galdos has worked in the energy, utilities, telecommunications and technology sectors at companies such as Abengoa, EDP and Ono, where he has held a variety of executive and directorial positions. From 2008 to 2015 he was a partner at PwC, where he advised the firm's clients on M&A transactions and operational and financial restructuring processes. In addition, as a professional entrepreneur he has headed up the development of a wide variety of projects, creating companies such as Altán Redes in Mexico, and Podo, a digital company for the marketing of electricity, gas and home services, and he is currently heading up *Build to Zero*, a company that is developing a technology for energy storage. In addition to working in Spain, Joaquín Coronado has also worked in the USA, Latin America and Portugal. He has a degree in Industrial Engineering from the University of Seville and an MBA from San Telmo Business School. He has been appointed to the board of a number of companies operating in the energy and infrastructure sectors.

2.8.4. Professional profile of the Managing Director.

Fidel López Soria graduated as a Mining Engineer from the Universidad Politécnica de Madrid and the École Nationale Supérieure des Mines in Paris, having completed an MBA at MIT - Sloan School of Management.

From 2007 he worked for the Ferrovial Group, performing duties in the Services and Airports divisions. At Ferrovial Services he was Managing Director of Broadspectrum, the division's Director of Development and a member of the boards of Amey, Tube Lines and Swissport. At Ferrovial Airports he was a member of the boards of HAH and AGS, Commercial Director at Heathrow Airport and Managing Director of the Airports Division at BAA.

Fidel López Soria had also previously held various positions at Enel and worked as a consultant at McKinsey&Co.

2.8.5. Significant resolutions adopted by the Board of Directors of Redexis Energía in 2023.

In 2023, the Board of Directors held 2 meetings on 21 December, both of which were duly convened and which were principally concerned with:

- Distributing responsibilities among the members of the Board (appointing the Chair, Deputy Chair and Secretary and Non-Board Member),
- Appointing the Managing Director,
- Creating (i) the Audit and Risk Committee and (ii) the Appointments and Remuneration Committee, and appointing their members and chairs.

All of the board members were present at both meetings, as was the Secretary and Non-Board Member, meaning that they were 100% attended.

In addition, all the board members received the information and documentation relating to the items on the agenda sufficiently in advance.

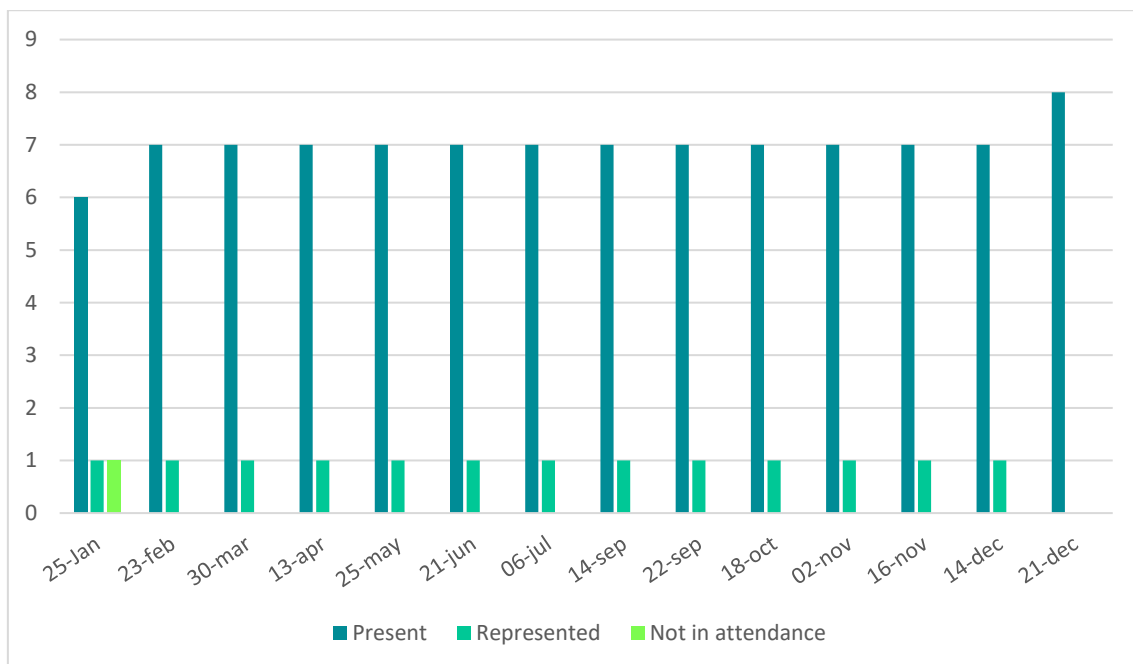
2.8.6. Significant resolutions adopted by the Board of Directors of Redexis in 2023.

During the 2023 financial year, the Board of Directors held 14 meetings, all of which were duly convened, and all the board members received the information and documentation relating to the items on the agenda sufficiently in advance.

The most important resolutions adopted by the Board dealt with the following matters:

- Strengthening the biogas and biomethane business in two ways: on the one hand, through the creation of new companies that were mainly focused on the production, transport, distribution, storage and marketing of renewable gases (mainly biogas and biomethane), and (ii) through the acquisition of a number of biomethane plants that were already in operation.
- Preparation of the annual accounts for the 2022 financial year and proposal for the application of the result, along with approval of the Non-Financial Information Statement (EINF).
- The regular reports on the company's operations, presented by the Managing Director.
- The regular reports from the Audit and Risk Committee.
- Approval and follow-up of the Corporate Reorganisation process.

As regards attendance by members of the board, either in person or through a representative, this amounted during the 2023 financial year to 99.10%, as shown in the following table:



2.8.7. Directors' remuneration

In accordance with the contents of Article 21 of the Articles of Association, the remuneration received by directors for the performance of their duties in this capacity may consist of a fixed monthly amount, and Redexis Energía and Redexis may also provide them with health and life insurance. This remuneration is compatible with and independent of any remuneration that directors who are allocated executive duties at the Company are entitled to received.

To this end, during 2023, only the non-executive chairs of the Board of Directors received remuneration in their capacity as such, in accordance with the terms approved to this end by the General Shareholders' Meeting and the Board of Directors. For his part, the only director who performed executive duties at the Company during 2023 was Fidel López Soria. This director received remuneration for the performance of these executive duties in accordance with the provisions of Royal Legislative Decree 1 of 2 July 2010, which approved the consolidated text of the Spanish Companies Act, and in accordance with the contents of the Articles of Association

and the resolutions adopted to this end by the General Shareholders' Meeting and the Board of Directors.

2.8.8. Conflicts of interest

The directors of both Redexis Energía and Redexis must inform the Secretary to the Board, duly in advance, of any situation that might involve a conflict of interest with the Company. Board members must refrain from attending or taking part in any discussions involving matters in which they have a direct, indirect or personal interest.

It is understood that a board member also has a personal interest in a matter when it affects a person connected to them or a company for which they work or with which they have a professional relationship, or a company at which they hold an executive position or in which they have a significant shareholding.

During the 2023 financial year, no board member reported the existence of a conflict of interest with the Company.

In addition, at the time of the board members' appointment or re-election, each of them has stated that they are not affected by any grounds for disqualification of any kind that might prevent or hinder the performance of any of their duties, particularly those that are listed in Act 3 of 30 March 2015, which governs the exercise of senior positions in the General State Administration, and those that are set out in Articles 227, 228, 229, 230 and 231 of Royal Legislative Decree 1 of 2 July 2010, which approved the Consolidated Text of the Spanish Companies Act.

2.8.9. Self-appraisal by the Board of Directors

One of the main aims pursued by this self-appraisal is that of detecting any need, where applicable and as it arises, to make changes to the company's internal organisation and to the procedures that apply to Redexis's activities and processes.

The Redexis Group therefore carries out regular appraisals, the most recent of which was carried out in 2022 at REDEXIS, S.A.U. This appraisal involved 40 questions relating to a range of issues such as information received, board members' skills, the system to ensure accountability, standards of behaviour (rights and obligations of board members, the ethical perspective of a board member's duties and conflicts of interest), along with open questions that allowed board members to include their own observations or make additional proposals.

2.8.10. Powers

At 31 December 2023, Fidel López Soria held the position of Managing Director at both Redexis Energía and Redexis, and at both companies he has been granted all of the powers that are inherent in the Board (except for those that cannot be delegated), though certain restrictions apply, mainly in relation to extraordinary matters or operations that exceed a specific value. For his part, the Secretary and Non-Board Member of both companies in turn holds a general power of attorney for those companies.

2.8.11. Committees

The Boards of Directors of Redexis Energía and Redexis are supported by two committees:

1. Audit and Risk Committee.

This Committee comprises three Board Members (2 men and 1 woman) who have been appointed for a period of 3 years. The Company's Secretary and Non-Board Member also acts as Secretary to this Committee.

This Committee did not hold any meetings in relation to Redexis Energía during 2023.

With regard to Redexis, in 2023 the Committee held 3 meetings, focusing mainly on the following matters:

- A review of the annual accounts for the 2022 financial year, prepared by an external auditor.
- An appraisal of the risk map for 2022 and the results of the internal audit.
- An appraisal of the Auditing Plan for 2023.
- Monitoring of the Contingency Plan, the situation with regard to cybersecurity, Compliance and the Corporate Reorganisation process.

2. Appointments and Remuneration Committee.

This Committee comprises three Board Members (2 men and 1 woman) who have been appointed for a period of 3 years. The Company's Secretary and Non-Board Member also acts as Secretary to this Committee.

This Committee did not hold any meetings in relation to Redexis Energía during 2023.

With regard to Redexis, in 2023 the Committee held 5 meetings, focusing mainly on the following matters:

- The appointment of an external consultant to assess the remuneration to be paid for executive positions.
- Approval of the incentives relating to the 2022 financial year.
- Approval of the KPIs for 2023.

3. Corporate operations authorised by the Board of Directors

3.1. Redexis Energía

3.1.1. Adhesion to the consolidated tax system.

On 21 December 2023, the Board of Directors approved, among other resolutions, adhesion to the system for fiscal consolidation, pursuant to the contents of Spanish Company Tax Act 27 of 27 November 2014, with effect from 1 January 2024.

3.1.2. Proposed modification of Redexis, S.A.U.'s Articles of Association, dismissal and appointment of directors.

On 21 December 2023, the Board of Directors agreed, among other resolutions, to amend Redexis, S.A.'s articles of association and allow for modification of the structure of the administrative body, which would henceforth comprise two joint administrators.

3.1.3. Authorisation for the incorporation of Redexis Renovables, S.L.U.

In accordance with the contents of the corporate reorganisation process, on 21 December 2023 the Board of Directors approved, among other resolutions, the incorporation of a Spanish limited liability company, Redexis Renovables, S.L.U., its sole shareholder being Redexis Energía.

3.1.4. Authorisation of the payment of a dividend at Redexis, S.A.U.

On 21 December 2023, the Board of Directors approved, among other resolutions, the payment of a dividend, to be paid by Redexis, S.A. to its sole shareholder.

3.1.5. Approval of a contribution to Redexis Renovables, S.L.U. by its sole shareholder.

On 21 December 2023, the Board of Directors approved, among other resolutions, the payment of a contribution to Redexis Renovables, S.L.U. by its shareholder.

3.2. Redexis

3.2.1. Approval of the acquisition of a 70% shareholding in the company Energygreen Gas Almazan, S.L.

On 25 January 2023, the Board of Directors approved the operation to purchase a 70% shareholding in the company Energygreen Gas Almazan, S.L.

Energygreen Gas Almazan, S.L. is a Spanish limited liability company with its registered office in Soria, and it is mainly active in the production of biogas and biomethane.

The operation for its acquisition was formally completed in the presence of a notary public on 21 July 2023.

3.2.2. Approval of the creation of limited liability companies to engage in biomethane projects.

On 30 March, the Board agreed, among other resolutions, to create a maximum of 10 companies whose sole shareholder would be Redexis Gas Servicios, S.L.U. and whose main activity would be the production of biogas and biomethane.

Thus, in 2023 Redexis Gas Servicios, S.L.U. created: (i) Biored Arevalo, S.L.U., (ii) Biored Cuellar, S.L.U., (iii) Biored Ejea, S.L.U, (iv) Biored Bajo Cinca, S.L.U., (v) Biored Alcores, S.L.U., (vi) Biored Calatayud, S.L.U. and (vii) Biored Medina del Campo, S.L.U.

3.2.3. Approval of the creation of limited liability companies to engage in hydrogen projects.

On 6 July 2023, the Board agreed, among other resolutions, to create a maximum of 5 companies whose sole shareholder would be Redexis Gas Servicios, S.L.U. and whose main activity would be the production of hydrogen.

Thus, in 2023, Redexis Gas Servicios, S.L.U., working jointly with Sociedad Pública de Infraestructuras y Medio Ambiente de Castilla y León, S.A. (SOMACYL), created the company H2Duero, S.L.

3.2.4. Corporate reorganisation.

On 30 July 2023, the Board of Directors approved the start of the corporate reorganisation operation, an operation that had been presented to the administrative body on 25 May 2023.

This operation has been carried out with the aim of effectively achieving the legally required separation between regulated activities and activities devoted to the production of gases.

Thus, in compliance with the contents of Article 63 of Spanish Hydrocarbons Sector Act 34 of 7 October 1998, the corporate restructuring process was formally introduced in the following phases:

Phase 1 (completed on 20 December 2023):

- (i) Incorporation of the company Redexis Energía, S.A., so that this company may act as the corporate group's holding company, and
- (ii) The simultaneous contribution of Redexis, S.A.'s shares to the newly incorporated holding company.

Phase 2:

As of 31 December 2023, Redexis Energía, S.A. planned to create another company to participate in projects for the development of the renewable gas production business, in such a way that, as a result, the company Redexis Energía, S.A. would eventually have two sub-holding companies, for the purposes of separating engagement in regulated activities from engagement in the liberalised business of renewable gas production. As a result, Redexis Renovables, S.L.U. was incorporated on 23 January 2024.

Phase 3:

In this phase, Redexis Renovables, S.L.U. will acquire all the shares that were held on 31 December by Redexis Gas Servicios, S.L.U. in the following companies:

- (i) Biored Arévalo, S.L.U.
- (ii) Biored Bajo Cinca, S.L.U.
- (iii) Biored Cuellar, S.L.U.
- (iv) Biored Ejea, S.L.U.
- (v) Biored Calatayud, S.L.U.
- (vi) Biored Alcores, S.L.U.
- (vii) Biored Medina del Campo, S.L.U.
- (viii) Biored Cella, S.L.
- (ix) Biored Vegas Altas, S.L.
- (x) Galivi Solar, S.L.U. (now called Biored Lorca, S.L.U.)
- (xi) H2Duero, S.L. and
- (xii) Energygreen Gas Almazan, S.L.

Effects of the corporate reorganisation

The aim of this corporate reorganisation is solely that of creating the necessary structure to allow the companies in the Redexis Group to engage on the one hand, in the regulated activity of the

transmission and distribution of gas and, on the other, in the production of renewable gases, in full compliance with the requirements for the separation of activities established in law.

This corporate reorganisation has not involved any change of control over Redexis, nor has it given rise to any change to existing voting or financial rights, nor has it led to the acquisition of any kind of significant influence over Redexis by any new organisation. Furthermore, it has not involved any changes with regard to the rights of the people who work for the Redexis Group.

3.2.5. Approval of acquisition of 100% of the shares in the companies Galivi Solar, S.L. (now Biored Lorca, S.L.U.) and GV Ecogest, S.L. (now Biored Los Alcazares, S.L.U.).

Biored Lorca and Biored Los Alcazares are Spanish limited liability companies with registered offices in Murcia, and they are mainly active in the production of biogas and biomethane.

The operation to acquire all of the shares in Biored Lorca took place on 21 November 2023, while the process for the acquisition of all the shares in Biored Los Alcazares was completed in January 2024.

3.2.6. Approval of a contribution to Redexis Infraestructuras, S.L.U. by its shareholder.

On 14 December 2023, the Board of Directors approved a contribution to Redexis Infraestructuras, S.L.U. by its shareholder, in order to partially amortise an intra-group loan that had been formally granted on 17 December 2020.

4. Businesses in which the Redexis Group is active

4.1. Natural Gas

Natural gas is an efficient alternative that makes it possible to reduce emissions in important sectors, such as heavy mobility and industry, in addition to achieving financial savings in customer bills. The Redexis Group maintains a commitment to achieving a carbon neutral economy, and as an infrastructure operator it has engaged in training programmes and collaborations with third parties over the course of 2023. It has also been closely involved in implementing best practices in all the territories in which it has a presence and in helping its clients to improve their practices in relation to health and safety in the workplace.

4.2. Vehicular Natural Gas (VNG)

Vehicular natural gas, i.e. the gas used as a fuel for vehicles, is a clean, economical and sustainable alternative for mobility that is enjoying serious growth thanks to the boost given by companies as the companies taking part of the Redexis Group, which considers its development essential and devotes great effort to this area, as a way of opening up a space in the mobility sector for carbon neutral fuels such as biomethane, which could replace VNG without the need for changes either to infrastructure or to the vehicles that currently run on VNG.

VNG is a revolutionary energy both for society and for companies that are increasingly concerned about the environment. The Redexis Group is promoting its development through the creation of gas filling stations distributed throughout Spain and the signing of agreements with large

companies in the sector such as Cepsa, Seat and Volkswagen, along with the companies that retrofit vehicles to run on VNG, such as DimSPORT and Evarm, with a view to covering the entire VNG value chain.

The Redexis Group currently operates 28 gas filling stations in the regions of Murcia, Madrid, the Balearic Islands, Aragón, Castilla-León, Extremadura, Castilla La Mancha, the Basque Country, Galicia Andalusia and Catalonia. In 2024, the Redexis Group plans to continue rolling out gas filling stations across the country, covering the main transport corridors both in Spain and outwards into the rest of Europe, as well as servicing public transport fleets (mainly buses and refuse vehicles), with a view to reducing CO₂ emissions and subsequently decarbonising these fleets with biomethane. The Company is already doing this for the Zaragoza council transport fleet from the Taxi Cooperative gas filling station, which supplies CNG to some ALSA buses.

4.3. Solar photovoltaic energy

The Redexis Group is developing solutions based on photovoltaic solar energy, both for private households and for industry, which offers control over energy production and results in cheaper costs for consumers.

During 2023, the Group experienced accelerated growth in the solar photovoltaic self-consumption market. Connections totalling 5.75 MW were installed during the course of the year, which included new projects contracted during the current year and last year, bringing the total figure to 24MW installed since 2021.

In addition, the Company has completed self-consumption photovoltaic projects that are particularly significant in terms of their size, such as the *Bioforestal del Mediterráneo* and the *Cooperativa del Campo San Miguel* projects, thus helping these industrial customers with their energy efficiency and offering them an energy solution that will also help them to improve their sustainability ratios and reduce their carbon footprint.

Under the Agreement signed by Redexis Gas Servicios, S.L.U. and Cepsa for the operation of the first global photovoltaic energy network at filling stations, which involves the installation of photovoltaic panels across Cepsa's network of filling stations in Spain and Portugal, Redexis has installed almost 200 photovoltaic facilities for self-consumption at service stations. The panels will supply electricity to the service stations during the day and feed any surplus energy into the distribution network.

4.4. Biomethane

Biomethane is a clean gas that is produced from renewable sources and is completely equivalent to natural gas. Among the benefits offered by biomethane is the fact that it strengthens the circular economy by taking advantage of waste and transforming it into energy, combined with the support provided by the implementation of rural development projects in crop and livestock farming environments. The Redexis Group is promoting innovative initiatives for the production of biomethane and its injection into its own natural gas networks, in collaboration with governmental authorities, technologists and organic waste management companies.

In July 2023, Redexis Gas Servicios, S.L.U. acquired a 70% shareholding in Energygreen Gas Almazán, S.L., a company that operates a biogas plant in Almazán (Soria). This plant, which is currently operational, produces biogas for self-consumption, in addition to flours and fats from SANDACH waste.

In addition, at the end of the year Redexis Gas Servicios, S.L.U. completed its acquisition of the Galivi Solar plant in Lorca, Murcia. This plant produces biogas and a connection point is currently being built to allow it to inject gas into the network. It will consume around 124 tonnes of waste annually and produce some 40 GWh/year.

These acquisitions are not the only advances that the Redexis Group has made during 2023 in the production of biomethane, as the company has also been working to identify and build a portfolio of Green Field projects (newly constructed facilities) throughout the territory of Spain. During the course of 2023, the Redexis Group identified 20 such opportunities, and it has made significant progress in moving 10 of these projects forwards in the following autonomous communities: Aragon, Castilla y León and Extremadura.

The Redexis's Group aim in 2024 is to adapt the facilities at the plants it has purchased in order to produce biomethane and inject it into the network, while at the same time progressing with the planning and construction of its Green Field projects, which are expected to begin producing biomethane from 2026.

4.5. Renewable hydrogen

The Redexis Group is firmly committed to the development of green hydrogen, an energy vector capable of uniting the electricity and gas sectors and allowing significant penetration by renewable energies in the Spanish energy matrix, since it is capable of storing the surplus resulting from wind and photovoltaic production.

The company H2 Duero, S.L. was created in July 2023 with the aim of developing the first plant for the production of Green Hydrogen in Castilla y León. On 31st December, 2023, Redexis Gas Servicios, S.L.U. held 80% of the share capital, while the remaining 20% is held by SOMACYL, S.A. (a public company operated by the Government of Castilla y León that specialises in renewable energy and energy efficiency projects). The Plant is located in Garray (Soria) and it has received environmental authorisation to produce Hydrogen from the Ministry of the Environment, Housing and Territorial Organisation. As part of this project, the plant's electrolyser was installed during 2023.

In addition, construction work began in 2023 on the first hydrogen pipeline in Spain as part of the Green Hysland project, to allow hydrogen to be injected into the natural gas network. This project involves the deployment of a completely integrated and operational renewable hydrogen ecosystem on the island of Mallorca. The Redexis Group was also the first in Spain to receive authorisation from the Ministry for Ecological Transition and Demographic Challenges (MITECO) to build an injection point, within the framework of this project. The project also included the signing of an agreement with Iberostar for the installation of a fuel cell at its Bahía de Palma hotel in Mallorca, which will be the first hotel in the world to have a facility of this kind.

4.6. Liquefied Petroleum Gas

Following the acquisitions made in previous years involving Nedgia, Cepsa and Repsol, 2022 saw the signing of a transmission operation with Distribución y Comercialización de Gas Extremadura, S.A.

As a consequence of these acquisition operations, the Redexis Group has continued with its integration of the more than 116,000 supply points and more than 3,600 piped LPG facilities, along with the signing with its customers of LPG supply agreements associated with these facilities.

5. Intra-group Transactions

In the course of its activities the Redexis Group has signed a number of agreements with companies that belong to its Group, details of which are given below:

- A framework agreement signed on 30 June 2016 for the provision of services between Redexis, S.A.U. and the rest of its direct subsidiaries, under which Redexis, S.A.U. provides the other companies in its Group with, among other things, services relating to systems and communications, human resources, general services and corporate support.
- A dual-pipe assignment agreement signed on 23 December 2016, under which Redexis, S.A.U., together with Redexis Gas Murcia, S.A. and Redexis Infraestructuras, S.L.U. assign to Redexis Gas Servicios, S.L.U. the physical infrastructure attached to the transmission and distribution networks that they own in order to allow Redexis Gas Servicios, S.L.U. to provide telecommunications services.
- A credit agreement signed by Redexis, S.A.U. with Redexis Gas Murcia, S.A., under which the former has granted the latter credit in the amount of sixty-five million euros (€65,000,000). This credit agreement was initially due to end on 31 December 2016, but it has been automatically renewed by the parties for terms of one year.
- An agreement signed on 27 November 2020 for the provision of services between Redexis, S.A.U. and the Redexis Foundation, under which Redexis, S.A.U. provides the Redexis Foundation with, among other things, services relating to systems and communications, human resources, general services and corporate support.
- A loan agreement signed by Redexis, S.A.U. on 18 December 2020 with Redexis Infraestructuras, S.L.U., under which the former has granted the latter a loan in the amount of three hundred and twenty-six million nine hundred and twenty-nine thousand nine hundred and ninety-four euros and three cents (€326,929,994.03). This loan agreement has a term of 10 years, ending on 18 December 2030.

6. Sustainability

6.1. GRESB

In 2023 Redexis, S.A.U. was once again awarded a five-star ESG rating, the highest awarded, in the GRESB sustainability index, thus maintaining its rating from the previous year and demonstrating its long-standing commitment to sustainability. Redexis, S.A.U. recorded the

same number of points as in the previous year, reaching a score of 95.2 out of 100, which placed it above the average for businesses in the sector.

GRESB is a worldwide Sustainability index that evaluates and rates the work done by more than 500 funds and assets from different sectors to promote sustainable development under a global standard in environmental, social, and corporate governance matters. This ranking provides data that is standardised and validated by the capital markets, making it a worldwide reference for measuring the performance of companies in terms of sustainability.

6.2. MOODY'S ESG SOLUTIONS (formerly VIGEO EIRIS)

This international company (formerly Vigeo Eiris), the leader in CSR and sustainability ratings, classified Redexis, S.A.U. as "Advanced" in 2023, based on its performance in the area of ESG during 2022. This is the highest rating awarded, and the Company's score increased by 2 points on the previous year, rising to 64. The Company has obtained ratings that are above the industry average in a range of indicators, which bears witness to Redexis's commitment to sustainable development.

6.3. TCFD

During the 2023 financial year, the Redexis Group continued to update the analysis exercise proposed by the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD sets down recommendations to ensure that the disclosure of information on the risks and opportunities presented by climate change are transparent, comparable and consistent, in such a way that the implementation of these recommendations helps companies to demonstrate that they are responsible and have the capacity to make provision for circumstances associated with climate change.

In this regard, Redexis, S.A.U. has analysed the risks and opportunities associated with climate change on a timeline to 2030, and it has identified the lines of action required in order to mitigate or adapt to the circumstances resulting from climate change. This Report was submitted to the Company's Board of Directors.

6.4. Integrated Report

In 2023, Redexis, S.A.U. published its Integrated Report for the purposes of providing its stakeholder groups and other interested parties with the most important information from the 2022 financial year. This report was also published on the Redexis website.

The report included the most important information relating to Redexis, S.A.U.'s sustainability. Thus, in line with its policy on transparency, the Redexis Group continues to strengthen and make further advances in its business activities from an ESG (Environmental, Social and Governance) perspective. This report contains an analysis and review of Redexis, S.A.U. business activities and results, providing a picture of the cross-cutting sustainability of its business model and strategic approach.

The aim of the information it provides is to show how the Redexis Group creates value, reporting this in a precise and detailed manner that is consistent with the environment and the activities

it engages in and that is comprehensible and accessible to all of the Company’s stakeholder groups. The report also demonstrates the Redexis’s Group commitment to the Ten Principles of the UN Global Compact and the UN Sustainable Development Goals, and provides an account of the Company’s progress with regard to implementation of those principles.

6.5. Non-Financial Information Statement (EINF)

Under the terms of Act 11/2018 of 28 December 2018, which amended the Spanish Commercial Code, the consolidated text of the Spanish Capital Companies Act approved by Royal Legislative Decree 1 of 2 July 2010, and Act 22 of 20 July 2015, on Auditing Accounts in matters of non-financial information and diversity, Redexis, S.A.U. has prepared a non-financial information statement.

In this document, Redexis, S.A.U. reports on matters relating to its business model, risk management and commitment to the environment, as well as providing information on its efforts in the areas of social issues, employment, human rights, combatting corruption, responsible taxation, sustainable development and relationships with users and customers, all of which constitute important issues for Redexis, S.A.U.

7. The Redexis Foundation

The Redexis Foundation (*Fundación Redexis*) was founded on 12 July 2019 with the aim of promoting the social projects engaged in by the Redexis Group. To this end, the purpose of the Foundation is, in general terms, to promote and encourage technological innovation and engagement in social welfare and charitable programmes, and to provide assistance, training and cultural support.

In particular, the Foundation supports the development and wellbeing of the social groups that live in the territories in which it operates, with special consideration for the development of infrastructure that will contribute to sustainable development and a cleaner economy.

Administration of the Redexis Foundation is the responsibility of its Board of Trustees, in accordance with Article 9 of its Foundational Articles of Association, and on 31 December 2023 the Board comprised three trustees, as shown below:

Name	Date of appointment	Position
Fidel López Soria	6 June 2022	Chairman
Borja Polo Baños	22 July 2021	Trustee
Ignacio Pereña Pinedo	12 July 2019	Trustee
Concepción Zafra López- Cepero	30 January 2023	Secretary and non-trustee

8. Actions relating to Good Governance

With the aim of maintaining its commitment to good corporate governance and transparency, the Redexis Group continued to implement actions during 2023 to ensure proper compliance with the regulations and good market practices. The Redexis Group has a Code of Conduct, along with an internal and external complaints channel to allow its Head of Corporate Governance to be informed of any potential failure to comply with the Code.

In addition to the work carried out in previous years, the Company took a number of actions in 2023 of which the following are particularly worthy of mention:

8.1. Internal regulations

During 2023 the Redexis Group approved the following:

- Regulation GOB 21 - Action protocol for the submission of claims against third parties as the result of damage or harm.
- Regulation GOB 22 - Processing applications for the connection of renewable gases to the network.
- Regulation GOB 23 - Company Vehicle Policy
- Regulation COM 01 - Purchasing procedures and rules

8.2. Training

The Redexis Group is firmly committed to the training of its employees. In this regard, its “Redexis Campus” training platform has offered a range of courses and content to allow employees to continue forward with their professional development.

Specifically, the main training courses to which employees have had access are as follows:

- Training on the Regulations governing Applications for Renewable Gas Connections
- Training on the Regulations governing Damage and Harm to Third Parties
- Training on the new contracting procedure
- Training on Personal Data Protection matters
- Training on corporate matters for Managers
- A course on the Code of Conduct: This course explains the Redexis’s Group Ethical Code, who it applies to and what its basic principles are.
- Course on the Procedure for reporting allegedly irregular events and the complaints channels: The main purpose of this course is to provide information on the way in which the Redexis Group management can be informed about acts by a member of any of the companies of the Redexis Group that may be irregular or criminal, along with the way that the management will process any complaints that it receives.

In addition, the Redexis Group provided its employees, via an external supplier, with the Pharos Training Platform, which specialises in Engineering, Infrastructure and Energy content, together with training in Big Data, Project Management and the Environment, among other subjects. This platform offers more than 500 online courses from which employees can select those that are most suited to their needs and preferences.

8.3. Climate survey

In September 2023, the Redexis Group launched its “Redexis te Escucha 2023” (Redexis is Listening) survey to analyse workplace climate and employee engagement. The aim of this survey was to measure and manage the organisational climate and sustainable engagement, with a view to having a positive impact on business results. The approach taken this year maintained the design from the previous year, with a survey based on the Redexis Group Values, in order to analyse how these values are experienced within the Company and how they can become a day-to-day reality.

The results of the survey were also reported in a different way, in that they were presented online using the “Teams” platform, in order to facilitate greater participation and involvement from all of the Company’s employees.

This year’s survey saw a high level of participation once again, with 87% of the workforce taking part.

8.4. Health and Safety and the Environment

Health and safety conditions in the workplace together with the environment are issues that the Redexis Group regards as being of the highest priority.

Redexis Group values in this regard are reflected in the way that the Company manages the following key issues in the closest detail:

- a) Operating a modern and efficient Control Centre that ensures the full-time management of incident reports from third parties, controlling restricted access to the facilities, monitoring any technical alarms that are activated in real time, managing operation of the network by means of the Company’s graphic network information system, monitoring the unloading of gas at our storage depots and directing the operations required to resolve any potential emergencies.
- b) Implementing a system for the continuous training and instruction of our technical operatives in matters of safety and the environment.
- c) Making employees aware of all identified risks and the preventive measures that are to be implemented, and carrying out preventive communication campaigns.
- d) Implementing and publishing emergency plans, providing specific training and carrying out regular drills for the resolution of potential emergencies.
- e) Implementing measures for the continuous improvement of processes.
- f) Ensuring the intensive oversight of work in the field using companies that specialise in industrial safety and environmental controls.
- g) Carrying out prior environmental impact assessments on projects for which they are required.
- h) Providing a specific system to manage the environmental obligations and requirements established by the regulator or local authorities.
- i) Implementing rigorous and specific systems to monitor waste, spillages and emissions.

Redexis Group also directs its efforts in the area of sustainable development towards adhering to two principles:

- Commitment to society.
- Respect for the environment.

In turn, with support from its Senior Management, the Redexis Group has defined an Integrated Policy that extends to all the Redexis's Group employees and that complies with the principles of sustainable development, preservation of the environment and the efficient use of the Company's resources.

Finally, during the course of 2023, the following important actions were taken in respect of the environment: (i) the completion of audits on the implementation of ISO standards 14001:2004 and ISO 50001:2018, verification of which was confirmed in both cases, (ii) the verification of greenhouse gas emissions, which were found to be in compliance with ISO standard 14064 in parts 1, 2 and 3. Registered at the Ministry in parts 1 and 2 in November 2023, (iii) a reduction of -0.2% (Kg CO₂ emitted/Km transport) in the Carbon Footprint in 2022 as compared with 2021, and (iv) further enhancement of the fleet of vehicles with low CO₂ emissions.

And in the area of health and safety: (i) the Integrated Management System Course for new employees at the Redexis Campus, which ensures that they are provided with information on how issues such as health and safety in the workplace, the environment and energy are managed at the Company, (ii) the psychosocial risk assessment (assessment method F-PSICO. Psychosocial Factors, Version 3.1, INSHT), which provides workers with information on preventive measures, (iii) the Healthy Redexis initiative run by the Employee Support Programme, which is aimed at caring for employees' emotional and personal wellbeing, (iv) the Company successfully passed an Audit of its Healthy Workplace Certification in December 2022. We achieved a score of 90.5% out of 100, an improvement of 0.7% on our 2020 result (89.8%), and (v) regular meetings of the Leadership Committee were held with the aim of reinforcing the leadership shown by Senior Management and its commitment to issues relating to workplace health and safety and the environment.

8.5. Collaborative activities

The Redexis Group remains in continuous contact and collaboration with institutions, companies and other agents that work in the sector, maintaining a fluid and constant dialogue. The Redexis Group seeks transparent collaboration and cooperation agreements, participating in the disclosure of information and in projects and initiatives that favour the welfare and progress of the different communities. It collaborates actively with a range of associations, which include Gasnam, a sustainable transport association that looks to the gas and hydrogen value chain to achieve its environmental, economic and operational goals for transport by land, sea and air, Sedigas, the Spanish gas association, the Spanish Hydrogen Association, which supports the development of hydrogen technologies as an energy vector and promotes their use in industrial and commercial applications, and AEBIG, the Spanish biogas association.

The Redexis Group participated throughout 2023 in media events and forums such as the Energy Conference, the Hydrogen Conference and the Mobility Conference, all organised by El Economista, "Wake Up Spain" organised by El Español, the Hydrogen Event organised by La Verdad in Murcia, the Energy Conference organised by Expansión, working breakfasts with Servimedia, which discussed issues relating to the Company, the development of renewable gases and the current geopolitical context and its implications, the GMC, and the GGMS organised by Gasnam.

Through the Redexis Foundation, the Company maintained collaborative agreements with sporting associations throughout 2023. Notable among these were the collaboration with the Merida Sporting Association and the Zaragoza women's indoor football team, through which the

Redexis Foundation demonstrates its commitment to sport and its importance in bringing society together, with particular support for women's sport.

The Foundation also maintained its support this year for the Emergency Committee, which is a group that is made up of six international organisations that have quickly and effectively come together in order to be able to help more people and save more lives. It comprises the NGOs Aldeas Infantiles SOS, Educo, Médecins du Monde, Oxfam Intermón, Plan International and World Vision. Specifically, this year the Foundation has made financial donations to the Committee to help the victims of the earthquake in Turkey and Syria, and it has also collaborated with aid for the humanitarian emergency caused by the earthquake in Morocco.

In 2023, the Foundation launched its Third Aid Line to support projects that contribute to improving quality of life for vulnerable groups, especially in terms of energy efficiency. This is principally aimed at providing support and protection for people in situations of vulnerability, offering help with improving energy efficiency at facilities used by not-for-profit organisations and assisting people with disabilities, with a particular emphasis on children and adolescents. The Redexis Foundation provided aid for organisations that offer support to these groups. Within the framework of its action in this regard, the Foundation selected five organisations whose social projects will benefit from its support:

AFES Salud Mental in Murcia, Aspanob in Palma, Fundación Instituto para la Integración Social in Zaragoza, Fundación Purísima Concepción de las Hermanas Hospitalarias in Granada, and the Tupujume association in Madrid.

As regards collaborative and educational projects, the Foundation has provided financial support for the Aragon Hydrogen Foundation Awards for Doctoral Theses and Masters and Degree course dissertations. The Redexis Foundation sponsored the "2022 Redexis Foundation - Aragon Hydrogen Foundation Award" for the best Doctoral Thesis. In addition, this year the Foundation has launched its "Energy '26" scholarships, aimed at the sons and daughters of Redexis employees who are studying for their baccalaureate, an intermediate or advanced occupational qualification or a degree during the 2023/2024 academic year, with the aim of incentivising and recognising academic effort and assisting the development of the educational environment.

Finally, as part of its commitment to transparency, the Redexis Foundation published its 2022 Annual Activity Report, in which it gave an account of all the social, cultural, educational, environmental and collaborative work carried out by the Foundation over the course of that year.

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ANEXO 2
REDEXIS ENERGIA S.A.,
ANNUAL ACCOUNTS,
CORPORATE REPORT
AND NON-FINANCIAL
INFORMATION
STATEMENTS



Redexis Energía, S.A. and its subsidiaries

**Consolidated Financial Statements
for the year ended 31 December 2023
and Consolidated Directors' Report,
together with Independent Auditor's
Report**

*Translation of a report originally issued in Spanish
based on our work performed in accordance with
the audit regulations in force in Spain. In the event
of a discrepancy, the Spanish-language version
prevails.*

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Redexis Energía, S.A.,

Opinion

We have audited the consolidated financial statements of Redexis Energía, S.A. (the Parent) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2023, and its consolidated results and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the consolidated financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Most Significant Audit Matters

The most significant audit matters are those matters that, in our professional judgement, were considered to be the most significant risks of material misstatement in our audit of the consolidated financial statements of the current period. These risks were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those risks.

Measurement of the goodwill and intangible assets with an indefinite useful life arising from business combinations carried out in prior years

Description

As described in Note 8 to the accompanying consolidated financial statements, the Group's non-current assets include goodwill amounting to EUR 228,549 thousand and intangible assets with an indefinite useful life relating to gas distribution and transmission licences amounting to EUR 542,914 thousand arising from business combinations carried out in prior years.

The assessment of the recoverable amount of the goodwill and intangible assets with an indefinite useful life both allocated to the transmission and distribution operating segments requires the use of significant judgements and estimates by management, in estimating both the performance of the activity and the future growth of the business estimation.

We identified this matter as one of the most significant matters in our audit based on both the magnitude of the amounts affected and the high degree of judgement required of management when assessing the recoverable amount of the goodwill and intangible assets with an indefinite useful life.

Procedures applied in the audit

Our audit procedures included, among others, evaluating the feasibility of the valuation methodology and key assumptions used by management.

In this respect, we evaluated the feasibility of the cash flow projections and the discount rates applied by comparing the assumptions made with data obtained from both internal and external sources, and performed a critical evaluation of the key assumptions in the models used.

In particular, we verified the feasibility of the remuneration formulae used for the estimation of the revenue having checked that they were consistent with the current regulations, as well as the use of a terminal value in the valuation of assets by applying a perpetual growth rate, for which we have involved our internal valuation specialists.

In addition, we have conducted a retrospective review on prior years estimations with the aim of identifying bias in management cash flow projections and assessed the historical compliance of the Group's budgets in order to assess the reliability of the estimates made by the Management.

Measurement of the goodwill and intangible assets with an indefinite useful life arising from business combinations carried out in prior years

Description

Procedures applied in the audit

Finally, we have performed a sensitivity analysis regarding the key assumptions and assumptions identified, also evaluating whether the note 3.g), 3.f) and 8 of the attached consolidated annual accounts include all relevant disclosures required in accordance with the applicable financial reporting regulatory framework.

Other Information: Consolidated Directors' Report

The other information comprises only the consolidated directors' report for 2023, the preparation of which is the responsibility of the Parent's directors and which does not form part of the consolidated financial statements.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility for the consolidated management report, as required by the regulations governing the audit activity, consists of:

- a) Only verify that the consolidated non-financial information statement has been provided in the manner provided for in the applicable regulations and, if not, report on it.
- b) To evaluate and report on the consistency of the rest of the information included in the consolidated directors' report with the consolidated annual accounts, based on the knowledge of the Group obtained during the audit of those accounts, and to assess and report on whether the content and presentation of this part of the consolidated directors' report comply with the applicable rules. If, based on the work we have done, we conclude that there are material improprieties, we are obliged to report it.

Based on the work done, as described above, we have verified that the information referred to in paragraph a) above is provided in the manner provided for in the applicable regulations and that the rest of the information contained in the consolidated directors' report is consistent with that of the consolidated annual accounts for the financial year 2023 and its content and presentation are in accordance with the applicable rules.

Responsibilities of the Parent's Directors for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the Group's consolidated equity, consolidated financial position and consolidated results in accordance with EU-IFRSs and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

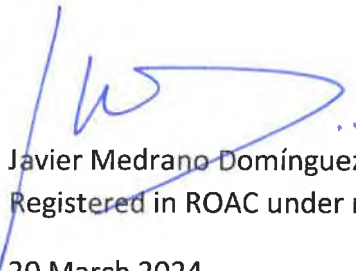
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the audit regulations in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is included in Appendix I to this auditor's report. This description, which is on the following page, forms part of our auditor's report.

DELOITTE, S.L.

Registered in ROAC under no. S0692



Javier Medrano Domínguez

Registered in ROAC under no. 22892

20 March 2024

Appendix I to our auditor's report

Further to the information contained in our auditor's report, in this Appendix we include our responsibilities in relation to the audit of the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with the audit regulations in force in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's directors.
- Conclude on the appropriateness of the use by the Parent's directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated with the Parent's directors, we determine those risks that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the most significant assessed risks.

We describe those risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES
Consolidated Annual Accounts and Consolidated Directors' Report
at 31 December 2023
prepared in accordance with International Financial
Reporting Standards as adopted by the European Union
(With Independent Auditors' Report thereon)



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REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Consolidated Statement of Financial Position for 31 December 2023
(Expressed in thousands of Euros)

<u>Assets</u>	<u>Notes</u>	<u>2023</u>
Property, plant and equipment	7	1,295,861
Goodwill	8	228,549
Other intangible assets	8	560,437
Right of use assets	9	8,696
Non-current financial assets	11 and 12	1,732
Shareholdings accounted for by the equity method		2,433
Trade and other receivables	11 and 15	10,005
Total Non-Current Assets		2,107,712
Inventories	14	13,107
Trade and other receivables	11 and 15	87,535
Other current financial assets	11 and 12	104
Other current assets	15	1,280
Cash and cash equivalents	11 and 16	92,302
Total Current Assets		194,328
Total Assets		2,302,040
<u>Equity and Liabilities</u>	<u>Notes</u>	<u>2023</u>
Capital		100,000
Share premium		302,898
Other reserves		180,040
Other comprehensive income		1,344
Equity attributable to equity holders of the Parent		584,282
Equity: Non-controlling interests		28
Total Equity	17	584,310
Debt with related companies	18 and 19	995,657
Loans and borrowings	20	452,700
Other financial liabilities	18	2,536
Lease liabilities	9	6,761
Deferred tax liabilities	13	106,764
Provisions for employee benefits	24	118
Other provisions	25	5,411
Government grants and other liabilities	27	22,412
Total Non-Current Liabilities		1,592,360
Debt with related companies	18 and 19	12,455
Interest		12,455
Loans and borrowings	20	24,380
Principal		22,180
Interest		2,200
Trade and other payables	21	81,074
Current income tax liabilities	13	1,435
Other current liabilities	21	3,980
Lease liabilities	9	2,046
Total Current Liabilities		125,370
Total Equity and Liabilities		2,302,040

The accompanying Notes 1 to 36 form an integral part of the Consolidated Annual Accounts.

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Consolidated Income Statements for 2023
(Expressed in thousands of Euros)

	<u>Notes</u>	<u>2023</u>
Revenue	28	12,592
Other income	29	364
Self-constructed non-current assets		551
Consumption of raw materials and consumables		(4,539)
Employee benefits expense	31	(1,267)
Depreciation and amortisation	7, 8 and 9	(3,763)
Impairment losses on non-current assets		(86)
Other operating expenses	30	<u>(944)</u>
Results from operating activities		<u>2,909</u>
Finance income		69
Finance costs		<u>(1,237)</u>
Finance profit/loss	32	<u>(1,168)</u>
Result of investments accounted for by the equity method		(22)
Profit before income tax		<u>1,719</u>
Income tax expense	13	<u>(375)</u>
Profit for the year		<u>1,344</u>
Profit for the year attributable to equity holders of the Parent		<u>1,344</u>
Profit for the year attributable to non-controlling interests		<u>0</u>

The accompanying Notes 1 to 36 form an integral part of the Consolidated Annual Accounts.

4.

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income for the Year Ended
31/12/2023
(Expressed in thousands of Euros)

	<u>2023</u>
Profit for the year	<u>1,344</u>
Other comprehensive income:	
Items that will not be reclassified to profit or loss	
Other comprehensive income for the year, net of taxes	<u>-</u>
Total comprehensive income for the year	<u>1,344</u>
Total comprehensive income attributable to:	
Equity holders of the Parent	1,344
Non-Controlling Interests	<u>-</u>
	<u>1,344</u>

A.

The accompanying Notes 1 to 36 form an integral part of the Consolidated Annual Accounts.

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity for
the Year Ended 31 December 2022
(Expressed in thousands of Euros)

Equity attributable to equity holders of the Parent

	Capital	Share premium	Legal reserve	Other reserves	Profit/loss for the year	Total	Interest Non-Controlling	Total equity
Balance at 31 December 2022	-	-	-	-	-	-	-	-
Business combination additions (Appendix II)	100,000	302,898	-	180,040	-	582,938	28	582,966
Profit/loss for 2023	-	-	-	-	1,344	1,344	-	1,344
Balance at 31 December 2023	100,000	302,898	-	180,040	1,344	584,282	28	584,310

The accompanying Notes 1 to 36 form an integral part of the Consolidated Annual Accounts.

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Consolidated Statement of Cash Flows for
the Year Ended 31 December 2023
(Expressed in thousands of Euros)

	Notes	2023
Cash flows from operating activities		
Profit for the year before tax		1,719
<i>Adjustments for:</i>		
Depreciations	7, 8 and 9	3,763
Impairment losses on non-current assets		86
Change in provisions		112
Government grants taken to income		(81)
Finance income	32	(69)
Finance costs	32	1,237
		6,767
Changes in working capital		
		5,819
Inventories		2,267
Trade and other receivables		(2,225)
Other current assets		744
Trade and other payables		4,215
Other current liabilities		99
Other non-current assets and liabilities		719
Cash generated from operations		12,586
Interest and commissions paid		(2,100)
Interest received		67
Income tax paid		(87)
Net cash from operating activities		10,466
Cash flows from investing activities		
Payments for purchases of distribution and LPG assets in use		350
Payments for acquisition of property, plant and equipment and intangible assets		(2,377)
Net cash used in investing activities		(2,027)
Cash flows from financing activities		
Payments for acquisition of financial assets		(96)
Payments of loans and borrowings		(521)
Proceeds from loans and borrowings		1,251
Proceeds from loans and borrowings with related companies		-
Payments of lease liabilities		(73)
Dividends paid		-
Net cash from financing activities		561
Net increase (decrease) in cash and cash equivalents		9,000
Cash and cash equivalents at 20 December (date of incorporation of the Parent Company)		83,302
Cash and cash equivalents at 31 December		92,302

The accompanying Notes 1 to 36 form an integral part of the Consolidated Annual Accounts.

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

(1) Nature, activities and composition of the Group

Redexis Energía, S.A. (hereinafter, the Company or the Parent) was incorporated for as a public limited liability company under Spanish law in Madrid on 20 December 2023. Its registered office is at calle Mahonia no. 2, 28043 Madrid (Spain).

Redexis Energía, S.A.'s main corporate purpose is the holding, purchase, subscription, swap and sale of domestic and foreign securities, on its own account and without intermediary activity, for the purpose of controlling, administering and managing these entities.

Redexis Energía S.A., the Parent, has been incorporated in order to give effect to the principle of separation of activities legally established between regulated activities and those dedicated to the production of gases and, in compliance with the provisions of article 63 of Hydrocarbon Law 34/1998, of 7 October (see Note 4), and has therefore carried out a corporate reorganisation process consisting of: (i) incorporating a newly created company (Redexis Energía, S.A.), in order for this company to act as the holding company of the business group, (ii) carrying out a business combination through the simultaneous contribution of the shares of Redexis, S.A. to the newly incorporated holding company, operations which were completed on 20 December 2023.

As a result of the corporate reorganisation, the shareholding of Redexis Energía S.A. now consists of the companies Arbejdsmarkedets Tillægspension (hereinafter "ATP"), Chase Gas Investments Limited (hereinafter "Chase") and Guotong Romeo Holdings Limited (hereinafter "Guotong") in the same shareholding as they held in Redexis, S.A.U., that is, each of them holding 33.34%, 33.33% and 33.33%, respectively, of the shares of the new company. In that way, the shares of Redexis, S.A.U. are now wholly owned by its Parent company Redexis Energía, S.A., which is therefore the sole shareholder of Redexis, S.A.U., which has become a single-member company.

Thus, Redexis Energía, S.A. is the Parent of a group of subsidiaries (hereinafter the Group) as of 20 December 2023. The Group's opening balance sheet is detailed in Appendix II. Information on subsidiaries, associate and/or related entities is provided in Appendix I.

Redexis Energía, S.A. is, therefore, the Parent of the Redexis Energía, S.A. group and subsidiaries (hereinafter the Group) and presents Consolidated Annual Accounts for the first time in the current financial year.

(2) Basis of Presentation

The Consolidated Annual Accounts for 2023 have been prepared on the basis of the accounting records of Redexis Energía, S.A. and of the consolidated companies and in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU), and other applicable provisions in the financial reporting framework, to give a true and fair view of the consolidated equity and consolidated financial position of Redexis, S.A.U. and subsidiaries at 31 December 2023 and consolidated results of operations and changes in consolidated equity and cash flows of the Group for the year then ended.

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

The Board of Directors of the Parent considers that the Consolidated Annual Accounts for 2023, authorised for issue on 28 February 2024, will be approved with no changes by the shareholders at their annual General Meeting.

The standards or interpretations adopted by the European Union that will be obligatory in coming years are not expected to have a significant impact on the Group's financial statements, although they may entail additional disclosures in the Consolidated Annual Accounts.

a) Basis of preparation of the Annual Accounts

These Consolidated Annual Accounts have been prepared on a historical cost basis.

b) Comparative information

The Consolidated Annual Accounts do not include, for comparative purposes with each of the items of the Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and the Consolidated Annual Report, figures from the previous year as this is the first year in which the group files Consolidated Annual Accounts.

c) Functional and presentation currency

The functional currency used by the Group is the Euro. The figures contained in the attached annual accounts are expressed in thousands of Euros, unless otherwise indicated, and are therefore rounded to the closest figure, with the Euro being the functional currency.

d) Relevant accounting estimates, assumptions and judgements used when applying accounting principles

Relevant accounting estimates and judgements and other estimates and assumptions have to be made when applying the Group's accounting principles to prepare the Consolidated Annual Accounts under IFRS-EU. A summary of the items requiring a greater degree of judgement or which are more complex, or where the assumptions and estimates made are significant to the preparation of the Consolidated Annual Accounts, is as follows:

- Useful lives of property, plant and equipment and intangible assets (Notes 3.d and 3.f)
- The assessment of the recoverability of intangible assets with an indefinite useful life and goodwill to determine any impairment losses (Note 3.g)
- The assessment of whether deferred tax assets are likely to be recovered based on the business plan for the coming years and the recovery periods stipulated in Spanish tax legislation for the recovery of those assets, as well as the resolution of possible differences in interpretation with the Tax Administration (Notes 3.p and 13)

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

The Company directors' estimates were calculated on the best information available as of 31 December 2023. Unforeseen future events could make it necessary to make changes in the coming years, which might lead to adjustments in the consolidated annual accounts that would be recorded prospectively, as the case may be.

e) Standards and interpretations adopted early or other changes in accounting policies

The following standards were published for their use in the European Union.

- ✓ Amendment to IAS 1 to decrease the difficulties of entities in applying the concept of materiality as regards the requirements to disclose 'significant accounting policies'.
- ✓ Amendment to IAS 1 as regards the classification of current or non-current liabilities.
- ✓ Amendment to IAS 8 on the definition of accounting estimates to facilitate the distinction between a change in accounting estimate and a change in accounting policy.
- ✓ Amendment to IAS 12 clarifying how to recognise deferred tax arising from assets and liabilities resulting from a single transaction.

None of these standards has had a relevant impact on the Group's Financial Statements.

Furthermore, the following mandatory standards, modifications and interpretations as of 1 January 2024 were approved:

- ✓ Amendment to IFRS 16 clarifying the accounting for liabilities arising on sale and leaseback transactions.
- ✓ Amendment to IAS 7 and IFRS 17 introducing new disclosures on financing arrangements with suppliers.

f) Principle of going concern

The Directors have formulated these consolidated annual accounts in accordance with the principle of the company as a going concern.

(3) Accounting Principles

(a) Subsidiaries

Appendix I to these consolidated annual accounts lists the subsidiaries of Redexis Energía, S.A., as well as the percentage of ownership and the consolidation method applied to them.

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Subsidiaries are entities over which the Parent Company, either directly or indirectly through subsidiaries, exercises control. The Parent Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The Parent Company has power over a subsidiary when it has existing substantive rights that give it the ability to direct the relevant activities. The Parent Company is exposed, or has rights, to variable returns from its involvement with the subsidiary when its returns from its involvement have the potential to vary as a result of the subsidiary's performance.

In order to determine the existence of sole control, joint control and/or significant influence in each entity of the Group, the consistency between the shareholding and political control of the company is reviewed, by virtue of the articles of association and agreements between shareholders.

Investments in subsidiaries are accounted for using the full consolidation method when the Redexis Group has full or unshared control of the investee.

Investments in subsidiaries are accounted for using the equity method when the Redexis Group has significant influence or joint control, that is, the power to influence financial and operating policies, but not sole control.

The result of valuing investments using the equity method is reflected under "Other reserves" in the consolidated statement of financial position and "Result of investments accounted for using the equity method" in the Consolidated income statement.

The income, expenses and cash flows of subsidiaries are included in the Consolidated Annual Accounts from the date of acquisition, which is when the Group takes control, until the date that control ceases. The subsidiary entities are excluded from the consolidation as of the date on which the control is lost.

At the date of taking control, the assets, liabilities and contingent liabilities of the subsidiary are measured at fair value. If there is a positive difference between the acquisition cost of the subsidiary and the market value, this is recorded as goodwill, as it corresponds to assets that cannot be separately identified and measured. If the difference is negative, it is recorded as a credit to consolidated profit/loss.

Transactions and balances with Group companies and unrealised gains or losses have been eliminated on consolidation. Nevertheless, unrealised losses have been considered as an indicator of impairment of the assets transferred.

The subsidiaries' accounting policies have been adapted to Group accounting policies for like transactions and events in similar circumstances.

The annual accounts or financial statements of the subsidiaries used in the consolidation process have been prepared as of the same date and for the same period as those of the Parent.

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

(b) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's steering committee to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(c) Non-Controlling interests

Non-controlling interests in subsidiaries acquired are recognised at the acquisition date based on the ownership percentage of the fair value of the identifiable net assets.

Non-controlling interests are disclosed in consolidated equity separately from equity attributable to shareholders of the Parent. Non-controlling interests' share in consolidated profit/loss for the year and in consolidated total comprehensive income for the year is disclosed separately in the Consolidated Income Statements and the Consolidated Statement of Comprehensive Income.

The total comprehensive income for the year and changes in equity of the subsidiaries attributable to the Group and non-controlling interests, after consolidation adjustments and eliminations, are determined in accordance with the ownership percentage at year end.

(d) Property, plant and equipment

Property, plant and equipment are recognised at cost, less accumulated depreciation and any accumulated impairment losses. The cost of self-constructed assets, mainly for the transmission and distribution of natural gas and liquefied petroleum gas, is determined using the same principles as for an acquired asset, while also considering the criteria applicable to production costs of inventories and the network construction required in properties until the supply points come into service. The production cost is capitalised by allocating the costs attributable to the asset to self-constructed non-current assets in the consolidated income statement.

The cost of PPE includes the estimated costs of dismantling or removal and the restoration of the site on which it is located. At the time of the initial valuation of PPE, the Group estimates the current value of the future obligations derived from the dismantling, removal or others associated with that PPE, as well as the costs of site rehabilitation. That current value is activated as the higher cost of the corresponding asset, giving rise to the recognition of a provision (Note 3n), subject to the financial update in the years following its creation.

Property, plant and equipment are depreciated by allocating the depreciable amount of the asset on a systematic basis over its useful life. The depreciable amount is the cost of an asset, less its residual value. The Group determines the depreciation charge separately for each asset based on its type.

Property, plant and equipment are depreciated using the following criteria:

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

	<u>Depreciation method</u>	<u>Estimated years of useful life</u>
Buildings	Straight-line	10-50
Technical installations and machinery:		
Liquefied natural gas plant	Straight-line	20
Regulation and metering stations	Straight-line	20-30
Community Receiving Facilities	Straight-line	20
Distribution networks	Straight-line	20
Meter-reading equipment	Straight-line	10
Gas pipelines	Straight-line	40
LPG facilities	Straight-line	20
Photovoltaic Installations	Straight-line	15
Optical fibre	Straight-line	20
Refuelling stations	Straight-line	20
Hydrogen pipeline	Straight-line	20
Biomethane Plant	Straight-line	10-20
Other items of property, plant and equipment	Straight-line	4-20
Other installations, equipment and furniture	Straight-line	4-20
Motor Vehicles	Straight-line	8

Transmission facilities are depreciated over their useful life according to the estimate made for items of property, plant and equipment. For gas pipelines this is 40 years and for regulation and metering stations it is 30 years. These estimates are in line with Royal Decree 326/2008 of 29 February, which sets the remuneration for natural gas transmission activities for facilities that came into service subsequent to 1 January 2008.

The Group reviews residual values, useful lives and depreciation methods at each financial year end. Changes to initially established criteria are accounted for as a change in accounting estimates.

Subsequent to initial recognition of the asset, only costs that will probably generate future economic benefits and which may be measured reliably are capitalised, including the costs required for the assets to operate as envisaged by management and in accordance with the applicable legal and regulatory requirements. Costs of day-to-day servicing are recognised in the Income Statements as incurred.

Replacements of property, plant and equipment that qualify for capitalisation are recognised as a reduction in the carrying amount of the items replaced. Where the cost of the replaced items has not been depreciated independently and it is not possible to determine the respective carrying amount, the replacement cost is used as indicative of the cost of the replaced items at the time of acquisition or construction.

The Group measures and determines impairment to be recognised or reversed based on the criteria in section (g).

(e) Right of use assets

(i) Identification of a lease

At the start of a contract, the Group evaluates whether it contains a lease. A contract is or contains a lease, if it grants the right to control the use of the asset identified for a period of time in exchange for a consideration. The period of time during which the Group uses the asset, includes consecutive and non-consecutive periods of time. The Group only re-evaluates the conditions when an amendment of the contract occurs.

These include subsoil occupancy rates for the gas distribution activity well as the fees for subsoil occupancy for the gas transmission activity.

(ii) Lessee reporting

In contracts with one or more lease and various lease components, the Group assigns the consideration of the contract to each component of the lease in accordance with the individual sale price of the lease component and the aggregate individual price of the various components of the lease.

Any payments made by the Group that do not entail the transfer of goods or services to it by the lessor do not comprise a separate component of the lease, but instead form part of the total consideration of the contract.

At the start of the lease, the Group recognises one right of use asset and one lease liability. The right of use asset is comprised of the amount of the lease liability, any payment for the lease made on or prior to the starting date, less any incentives received, the initial direct costs incurred and an estimate of the costs for dismantling or restoration to be incurred, as indicated in the accounting policy provisions.

The Group measures the lease liability by the present value of the lease payments pending on the starting date. The Group discounts lease payments at the appropriate incremental interest rate, unless the implicit interest rate of the lessor may be determined reliably.

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

The pending lease payments are comprised of fixed payments, less any incentive to be collected, the variable payments that depend on an index or rate, initially appraised by the index or rate applicable on the starting date, the amounts expected to be paid for residual value guarantees, the price of exercising the purchase option whose exercise is reasonably certain and any compensation payments for contract termination, providing the term of the lease reflects the termination option.

The Group measures the right of use assets at cost, less depreciation and accrued impairment losses, adjusted by any re-estimate of the lease liability.

If the contract transfers the ownership of the asset to the Group at the end of the lease term or the right of use asset includes a purchase option, the criteria for depreciation indicated in the section on property, plant and equipment are applied from the starting date of the lease through the end of the useful life of the asset. Otherwise, the Group depreciates the right of use asset from the starting date until the earlier date between the useful life of the right or the end of the lease.

The Group applies the non-current asset impairment criteria indicated in section (g) to the right of use assets.

The Group measures the lease liability increasing it by the financial expense accrued, decreasing it by any payments made and re-estimating the carrying amount by amendments of the lease or to reflect any updates of in-substance fixed payments.

If the amendment does not result in a separate lease, on the amendment date, the Group assigns the consideration to the amended contract as indicated above, re-determines the term of the lease and re-estimates the value of the liability deducting any revised payments at the revised interest rate. The Group decreases the carrying amount of the right of use asset to reflect the partial or total termination of the lease, in those amendments that decrease the scope of the lease and records the profit or loss in the income statement. For all other amendments, the Group adjusts the carrying amount of the right of use asset.

(f) Intangible assets

- Goodwill

Goodwill is not amortised but is tested for impairment annually or more frequently where events or circumstances indicate that an asset may be impaired. Goodwill on business combinations is allocated to the cash-generating units (CGUs) or groups of CGUs which are expected to benefit from the synergies of the business combination and the criteria described in section (g) (impairment) are applied. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

- Licences

This item reflects the amounts measured by an independent expert on government authorisations, from the merger of the Group, for the distribution and transmission of gas in the various areas in which the Parent and the subsidiaries conduct or will conduct their activities, less any impairment, as appropriate.

In accordance with the legal framework under which they were granted, these authorisations do not have a limited duration.

- Computer software

Computer software is carried at cost in the Consolidated Statement of Financial Position, less any accumulated amortisation and impairment losses. Computer software maintenance costs are charged as expenses when incurred.

- Other intangible assets

This item reflects the amounts incurred by government authorisations, subsequently to the merger of the Group, for the distribution and transmission of gas in the various areas in which the Parent and the subsidiaries conduct or will conduct their activities, less any impairment as appropriate for accumulated amortisation and impairment losses. Costs incurred in relation to and prior to obtaining government authorisation are initially recognised under intangible assets and subsequently transferred to the Income Statements if the Group has reasonable doubts as to whether authorisation will be obtained.

- (i) Useful life and amortisation rates

The Group assesses whether the useful life of each intangible asset acquired is finite or indefinite. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset will generate net cash inflows.

Intangible assets with indefinite useful lives or that are not limited in duration are not amortised, but are instead tested for impairment on an annual basis or whenever there is an indication that the intangible asset may be impaired. The Group has estimated that government authorisation or licences for the distribution and transmission of gas have an indefinite useful life as, in accordance with the legal framework under which they were granted, they do not have a limited duration.

Intangible assets with finite useful lives are amortised by allocating the depreciable amount of an asset on a systematic basis over its useful life, by applying the following criteria:

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

	Amortisation method	Estimated years of useful life
Computer software	Straight-line	4-5
Other intangible assets	Straight-line	5-20

The depreciable amount is the cost or deemed cost of an asset, less its residual value.

The Group reviews the residual value, useful life and amortisation method for intangible assets at each financial year end. Changes to initially established criteria are accounted for as a change in accounting estimates.

(ii) Impairment

The Group measures and determines impairment to be recognised or reversed based on the criteria in section (g).

(g) Impairment of non-financial assets

The Group evaluates whether there are indications of possible impairment losses on non-financial assets subject to amortisation or depreciation to verify whether the carrying amount of these assets exceeds the recoverable amount.

The Group tests goodwill and intangible assets with indefinite useful lives for impairment at least annually, irrespective of whether there is any indication that the assets may be impaired.

The recoverable amount of the assets is the higher of their fair value less costs of disposal and their value in use.

Negative differences resulting from comparison of the carrying amounts of the assets with their recoverable amount are recognised in profit and loss.

The recoverable amount is determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

Impairment losses for cash-generating units are allocated first to reduce the carrying amount of goodwill allocated to the unit and then to the other assets of the unit pro rata with their carrying amounts. The carrying amount of each asset may not be reduced below the highest of its fair value less costs of disposal, its value in use and zero.

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At the end of each reporting period the Group assesses whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. Impairment losses on goodwill are not reversible. Impairment losses on other assets are only reversed if there has been a change in the estimates used to calculate the recoverable amount of the asset.

A reversal of an impairment loss is recognised in profit or loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised.

A reversal of an impairment loss for a CGU is allocated to the assets of that unit, except goodwill, pro rata with the carrying amounts of the assets. The carrying amount of an asset may not be increased above the lower of its recoverable amount and the carrying amount that would have been disclosed, net of amortisation or depreciation, had no impairment loss been recognised.

(h) Financial instruments

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument in IAS 32 "Financial Instruments: Presentation".

The Group recognises financial instruments when it becomes party to the contract or legal transaction, in accordance with the terms set out therein.

For measurement purposes, the Group classifies financial instruments as financial assets and liabilities carried at amortised cost.

The Group classifies a financial asset at amortised cost if it remains within the scope of a business model whose purpose is to maintain financial assets to obtain cash flows and the contractual conditions of the financial asset give rise, on specific dates, to cash flows that are only payments of principal and interest on the amount of principal pending.

(i) Offset principles

A financial asset and a financial liability can only be offset when the Group has a legally enforceable right to offset the recognised amounts or intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. In order for the Group to have a legally enforceable right, it should not be contingent on a future event and should be legally enforceable in the ordinary course of operations, in cases of insolvency or of liquidation declared legally and in the event of non-payment.

(ii) Financial assets and liabilities at amortised cost

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Financial assets and liabilities at amortised cost are initially recognised at fair value, plus or minus the transaction costs incurred, and are subsequently measured at amortised cost using the effective interest rate.

(iii) Reclassifications of financial instruments

The Group reclassifies financial assets when it changes the business model for its management. The Group does not reclassify financial liabilities.

(iv) Impairment

The Group recognises a valuation adjustment in the Income Statements for anticipated future credit losses of the financial assets measured at amortised cost.

On each closing date, the Group measures the valuation adjustment in an amount equal to the credit losses anticipated in the following twelve months, for the financial assets for which the credit risk has not increased significantly from the date of initial recognition or when it considers that the credit risk of a financial asset has no longer increased significantly.

The Group considers that the credit risk has increased significantly from initial recognition when non-payments exist for a period greater than 180 days.

(v) Financial asset disposals, modifications and cancellations

Financial assets are de-recognised when the rights to receive cash flows relating to these have expired or have been transferred and the Group has substantially transferred the risks and benefits deriving from their ownership.

(vi) Interest and dividends

The Group recognises interest by the effective interest method, which is the rate adjustment that equals the carrying amount of a financial instrument with the estimate cash flows throughout the expected lifetime of the instrument, starting from its contractual conditions and without considering the anticipated credit losses, except for financial assets acquired or originating with losses incurred.

(vii) Financial liability disposals and modifications

The Group de-recognises a financial liability or part thereof when it has complied with the obligation contained in the liability or if it is legally dispensed from the primary responsibility contained in the liability, whether by virtue of a legal process or by the creditor.

(i) Distributions to shareholders

Dividends, whether in cash or in kind, are recognised as a reduction in equity when approved by the shareholders at their annual general meeting.

(j) Inventories

Inventories are initially measured at the lower of cost of purchase and net realisable value.

The purchase price comprises the amount invoiced by the seller, after deduction of any discounts, rebates or other similar items, plus any additional costs incurred to bring the goods to a saleable condition, other costs directly attributable to the acquisition, as well as finance costs and indirect taxes not recoverable from the Spanish taxation authorities.

Subsequently, the Group values its inventories at weighted average cost.

The cost of inventories is written down in those cases in which its cost exceeds its net realisable value. For these purposes, net realisable value is understood as its replacement price.

The Group uses the same cost model for all inventories of the same nature and with a similar use.

(k) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits in financial institutions. They also include other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(l) Government grants and Other liabilities

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them, and that the grants will be received.

Capital grants awarded to the Group are primarily to carry out works and are non-refundable. These grants are measured at the fair value of the sum received, and are recognised under "Government grants and other liabilities" in the Consolidated Statement of Financial Position and taken to "Other income" over the same period and in proportion to the depreciation of the subsidised assets or when the assets are disposed of or impaired.

Other liabilities also includes connection charges as monetary consideration for the installation works and operations required to serve new gas supply points or extend existing ones. These connection charges are recognised as income in proportion to the annual depreciation of the assets being financed (20 years), or over the period specified in the contract if this is shorter, or, where applicable, when the assets are disposed of or impaired.

(m) Employee benefits

The Group has contracted pension commitments with certain members of its workforce. These obligations, acquired through the defined contribution scheme, are basically arranged through pension plans or insurance policies.

Defined benefit plans

Defined benefit liabilities recognised in the Consolidated Statement of Financial Position reflect the present value of defined benefit obligations at the reporting date, minus the fair value at that date of plan assets.

The Group recognises actuarial losses and gains in other comprehensive income in the year in which they occur. These actuarial losses and gains are recognised immediately in retained earnings. They are not recorded in the Income Statements in a subsequent year.

Income or expense related to defined benefit plans is recognised as employee benefits expense and is the sum of the net current service cost and the net interest cost of the net defined benefit asset or liability.

The present value of defined benefit obligations and the related current service cost and past service cost are calculated annually by independent actuaries using the Projected Unit Credit Method. The discount interest rate is calculated based on the yield on high quality corporate bonds of a currency and term consistent with the currency and term of the post-employment benefit obligations.

Assets and liabilities arising from defined benefit plans are recognised as current or non-current based on the period of realisation of related assets or settlement of related liabilities.

Defined contribution plans

The Group recognises the contributions payable to a defined contribution plan in exchange for a service when an employee has rendered service to the Group. The contributions payable are recognised as an expense for employee remuneration, and as a liability after deducting any contribution already paid.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The policy followed regarding the recording of provisions for risks and expenses consists of recording the estimated amount to cover probable or certain responsibilities arising from litigations in progress and for compensations or pending obligations, warrants and other similar guarantees. Its provision is made when the responsibility or obligation that determines the compensation or payment arises.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account all risks and uncertainties surrounding the amount to be recognised as a provision and, where the time value of money is material, the financial effect of discounting provided that the expenditure to be made each period can be reliably estimated. The discount rate is a pre-tax rate that reflects the time value of money and the specific risks for which future cash flows associated with the provision have not been adjusted at each reporting date.

The financial effect of provisions is recognised as a finance cost in profit or loss.

If it is not probable that an outflow of resources will be required to settle an obligation, the provision is reversed. The provision is reversed against the Income Statements item in which the related expense was recognised, and any surplus is accounted for in other income.

Provisions for dismantling, restoration and similar liabilities

These provisions are measured in accordance with the general criteria for provisions and are recognised as an increase in the cost of the associated property, plant and equipment (see Note 3.d).

Changes in provisions resulting from changes in the amount, timing of the outflow of resources or the discount rate increase or reduce the cost of fixed assets up to the carrying amount thereof, whilst any excess is recognised in profit or loss.

(o) Recognition of revenue from contracts with customers

The revenue is evaluated on the basis of the consideration to be received in a contract with a customer and excludes any amounts collected on behalf of third parties. The Group recognises the revenue when it transfers the control of a product or service to the customer.

The following is a summary of the recognition criteria applicable for each one of the activities that generates income in the Group.

Distribution activity

With the distribution activity the regulatory framework identifies the following tasks: to build, operate and maintain networks and facilities for the distribution of natural gas intended for situating the gas at the points of consumption.

This set of tasks constitutes a commitment to the customers and the tasks cannot be performed independently from each other; therefore they are considered to be a single performance obligation which is fulfilled, indefinitely, in accordance with the administrative authorisation granted by the competent Institution on the basis of which it carries out its business, generating the right to receive remuneration or revenue. In this respect, consumers of gas simultaneously receive and consume the benefits of the service at the same time as the Group provides it.

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The regulated revenues from distribution activity each year is set ex-ante for each gas year by the National Commission on Markets and Competition (CNMC) in keeping with the new authorities attributed to it, effective as of 1 January 2020 by Royal Decree-Law 1/2019 (formerly attributed to the Spanish Ministry for Ecological Transition).

Therefore, the resolutions of the CNMC published prior to the start of each year, establish the remuneration for the coming year based on expected sales and new customers for that year (for remuneration and rate purposes, the term 'year' hereinafter refers to gas year). As a result, the amount of remuneration is subject to change for up to two years, until the definitive data on demand and new customers is available for the year analysed. With regard to references to 'gas year', it should be noted that in accordance with Additional Provision 1 of CNMC Circular 6/2020, of 22 July, regarding the calculation of local natural gas distribution network tolls and regasification, the gas year and the rate period no longer correspond to the calendar year but instead to the period between 1 October and 30 September of the following year.

As of 2019 the CNMC has developed a series of Circulars that will define the methodology for determining remuneration for the distribution and transmission of natural gas for the following regulatory period (2021-2026). These methodologies establish models that are conceptually very similar to those in force before 2021, but that entail certain adjustments to remuneration as of the year 2021.

This remuneration is comprised of a fixed component (Euro/customer) and two variable components in keeping with the increase (or decrease) in the volume of gas supplied to the customers connected to the network. For variable components, unit tariffs are set on the basis of the pressure of the gas supplied and customer type, for which certain additional incentives exist, such as the gasification of new municipalities, new industrial customers or new vehicular natural gas service stations.

The Group establishes the variable remuneration at the close of each year, using the methodology defined in the regulation, with the best information available at that time (supply as well as demand points), adjusting this figure with the verified information after closing the figures for each year. In turn, and once it has the final figures for the year, the CNMC determines the final amount of this remuneration in the resolution it publishes the following year, and also establishes the provisional remuneration for the year following publication and regularisation of the remuneration for the year in which it is published, with the best figures available at that time.

By means of the Resolution of 19 May 2022 of the CNMC, establishing the remuneration for the 2023 gas year of the companies that perform regulated liquefied natural gas, transmission and distribution facility activities, the CNMC approved the remuneration covering the period between 1 October 2022 and 30 September 2023. In that Resolution the appropriate adjustments were made to the remuneration for the years 2020, 2021 and 2022.

Likewise, by means of the Resolution of 30 May 2023 of CNMC, establishing the remuneration for the 2024 gas year of the companies that perform regulated liquefied natural gas, transmission and distribution facility activities, the CNMC approved the remuneration covering the period between 1 October 2023 and 30 September 2024. In that Resolution the appropriate adjustments were made to the remuneration for the gas years 2021, 2022 and 2023.

This distribution activity remuneration will be adjusted once the final amounts of this Remuneration have been set by the CNMC, based on the actual figures for the average increase in consumers and kWh distributed. The Group does not expect significant differences to arise between the amounts recognised and the final settlements. Nevertheless, any differences will be recognised as a change in accounting estimate in the consolidated Income Statements when they arise.

These resolutions may, where appropriate, lead to price reviews of certain regulated items, such as connection charges, or meter rental charges. With regard to connection charges, these continue to be those established in Order IET/2445/2014, while the prices for the rental of meters and remote metering equipment for pressures equal to or lower than 4 bar continue to be those established in Appendix III of Order TEC/1367/2018.

During 2023 the Group received the final settlement for regulated activities in the gas sector for 2022, which had an immaterial impact on the Consolidated Income Statement.

In accordance with Orders ITC/3126/2005, IET 2446/2013 and IET 2355/2014 and the Gas System Technical Management Standards (NGTS), the Group has recognised measurement differences (known as unaccounted for gas) as “regulated distribution revenue” in the Consolidated Income Statements for 2023 in the amount of Euros 4,537 thousand, (see Note 28). In 2023 the measurement differences for 2022 were settled.

Transmission activity

The regulatory framework identifies the following tasks within the transmission activity: to build, operate and maintain its own network of gas pipelines, supplying natural gas to the major areas of consumption.

As already indicated for the case of distribution, this set of tasks constitutes a single performance obligation which is fulfilled, indefinitely, in accordance with the administrative authorisation granted by the competent Institution on the basis of which it carries out its business on a straight-line basis.

As with the distribution activity, the gas transmission activity is regulated and the remuneration is set for each gas year by the CNMC in keeping with the new authorities attributed to it, effective as of 1 January 2020 by Royal Decree-Act 1/2019 (formerly attributed to the Spanish Ministry for Ecological Transition).

This remuneration is fixed for gas year and is based on the start-up investment. If in the course of the year new facilities are put into use, the remuneration would be amended in keeping with the increase in facilities, which would be recognised prospectively as of that time.

Due to the aforementioned change in gas year indicated in the section on the distribution activity, that is likewise applicable to the transmission activity, the remuneration recognised for the 2023 transmission activity was established in CNMC Resolution of 19 May 2022, establishing the remuneration for the 2023 gas year of the companies that perform regulated liquefied natural gas, transmission and natural gas distribution facility activities, and in CNMC Resolution of 30 May 2023, establishing the remuneration for the 2024 gas year of the companies that perform regulated liquefied natural gas, transmission and distribution facility activities, insofar as the first Resolution covers the period from 1 October 2022 to 30 September 2023, and the second covers the period from 1 October 2023 to 30 September 2024.

On the other hand, Order TED/1286/2020 and the Resolutions cited in the preceding paragraph include the corresponding adjustments to remuneration for uninterrupted supply (RCS) from previous years.

The Group records revenue based on its estimate of the remuneration pursuant to applicable legislation and in line with the level of investment.

As previously mentioned, during 2019 and 2020 the CNMC developed a series of Circulars that will define the methodology for determining remuneration for the distribution and transmission of natural gas for the following regulatory period (2021-2026). These methodologies establish models that are conceptually very similar to those set at the time by Act 18/2014, but entail certain adjustments to remuneration as of the year 2021.

In accordance with article 5 of Order ITC/3128/2011 of 17 November on matters relating to third-party access to gas facilities and remuneration for regulated activities, the Group has recognised measurement differences as “regulated transmission revenue” in the Consolidated Income Statements for 2023 at the amount of Euros 542 thousand (see Note 28).

Additionally, the Group is subject, among other things, to the following regulatory framework in the field of transmission and distribution of natural gas:

- Royal Decree 949/2001 of 3 August 2001, which regulates third-party access to gas facilities and establishes an integrated economic system for the natural gas sector, in accordance with the mandate in article 8 of Royal Decree-Law 6/2000 of 23 June 2000.
- Order TED/1022/2021, of 27 September, regulating the settlement procedures for remuneration from regulated activities, and for specifically allocated gas charges and fees of the gas sector.

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- Royal Decree 326/2008 of 29 February 2008, which stipulates the remuneration for natural gas transmission activities for facilities entering into service since 1 January 2008.
- Royal Decree 1434/2002 of 27 December 2002, which regulates transmission, distribution, trading and supply activities and the authorisation procedures for natural gas facilities.

The deficit figure for the gas sector for the year 2014, which included accumulated deficits from previous years, amounted to 1.025 billion euros, which are recoverable by regulated entities over fifteen consecutive years. On December 1, 2017, the Group transferred the credit rights it held regarding this deficit, amounting to 42 million euros, and received full payment.

After the application of the surpluses obtained in the final settlements of subsequent years, the accumulated deficit at 31 December 2014 pending amortisation amounts to Euros 41.1 million, with an annuity of Euros 5.49 million planned for 2024 to continue its amortisation.

Registration fees

The registration fees of a new supply consists of the operation to connect the gas receiving facility to the network of the distribution company, and the review and verification that these adapt to the regulatory technical and safety conditions. This operation usually takes place one sole time and the activities are inseparable, whereby this activity is considered as constituting a single performance obligation.

Registration fees are regulated by each Autonomous Region, at a set price.

The Group recognises the revenue for the registration fees at the moment at which the connection is made and verified, since it is at that moment when the customer obtains the benefits of the service rendered and there is no future obligation associated with it (see Note 28).

Rental of Natural Gas metering equipment

Metering equipment (meter) is installed in the facilities of the end-customer, therefore the service of renting the meter constitutes a performance obligation.

The payment for renting natural gas metering equipment is regulated by the regulatory framework of the sector, at a set price.

The Group recognises the revenue throughout the provision of the service, since the customer simultaneously receives and consumes the benefits of the service at the same time the Group provides it (see Note 28).

The method to be used to measure the percentage of completion is the output method, since the service rendered is similar throughout the period, and revenue is

recognised on a straight-line basis over time.

Rental of Community Receiving Facilities (CRF)

The Group collects a rental payment for the community receiving facility (CRF) from the owners association without any other type of consideration, therefore the Community Receiving Facility comprises a single performance obligation.

The payment for renting the community receiving facility is the price established in the contract signed with the owners association, which sets a fixed monthly price.

The Group recognises the revenue throughout the term of the contract, since the customer simultaneously receives and consumes the benefits of the service at the same time the Group provides it (see Note 28).

The method to be used to measure the percentage of completion is the output method, since the service rendered is similar throughout the period, the revenue is recognised on a straight-line basis.

Inspections of individual receiving facilities (IRF)

In this case the service consists of the inspection of the individual receiving facility (IRF), involving a one-time action, considered as a single performance obligation.

The authority to set inspection prices is transferred to the Autonomous Regions and, therefore, the price may vary from one area to another.

The revenue is recognised at the moment of the inspection, since it is at that time when the customer obtains the benefits of the service rendered (see Note 28).

Sale of Liquefied Petroleum Gas (LPG)

The contracts for the sale of LPG identify two separate performance obligations, which are those corresponding to the supply of LPG and the rental of the meter since, as mentioned above, they comply with the definition for consideration as different from each other. For LPG, the Company supplies as well as distributes the product, and therefore there is a contractual relationship with the customer.

In the case of LPG consumption, the transaction price will be established applying the established official tariff, with a fixed portion (standard monthly rate) and a variable element associated with consumption (Euro cents per Kg.).

The Group recognises the revenue throughout the period of time in which the customer receives and consumes the benefits of the service rendered at the same time the service takes place. Therefore the revenue deriving from this service will be measured by percentage of completion.

For the purpose of measuring this completion, we consider that the output method is the one that best reflects the completion of the rendering of the service, whereby the revenue will be recognised as the service is rendered, by unit of LPG (kg) consumed by the customer, subject to estimate since invoicing does not coincide

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with the close of the calendar year (see Note 28).

Contracting party connection charges

The connection charge of the contracting party consists of the financial consideration for connecting the community receiving facility to the network and the commissioning of the facility. This operation usually takes place at one sole time, whereby it is considered as a single performance obligation.

The connection charges are regulated by the regulatory framework of the sector, at a set price.

The revenue is recognised at the moment of connection of the community receiving facility and the commissioning of gas, since this is the time at which control of the services rendered is transferred to the customer (see Note 28).

Applicant connection charges

The Group is authorised to receive a financial consideration for performing the set of installations and operations necessary to cover a new gas supply point or increase the capacity of one already in existence.

In this case a contract is arranged with the customer to establish the characteristics of the installation to be built and the quantity to be received for each service. Furthermore, it is established that the asset built by virtue of the contract will be the property of the Group and a remuneration for building the connection is established. This consideration is a determined fixed quantity.

The Group recognises these connection charges as income in proportion to the annual depreciation of the assets being financed (20 years), or over the period specified in the contract if this is less or, where applicable, when their disposal or impairment occurs, since the customer simultaneously receives and consumes the benefits of the service at the same time the Group provides them. The method to be used to measure the percentage of completion is the output method, since the service rendered is similar throughout the period, and revenue is recognised on a straight-line basis over time.

(p) Income tax

The income tax expense or tax income for the year comprises current tax and deferred tax.

Current tax is the amount of income taxes payable or recoverable in respect of the consolidated taxable profit or tax loss for the period. Current tax assets or liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

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Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carryforward of unused tax losses and the carryforward of unused deductions. Temporary differences are differences between the carrying amount of an asset or liability and its tax base.

Current and deferred tax are recognised as income or expense and included in profit or loss for the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity, or from a business combination.

(i) Recognition of deferred tax liabilities

The Group recognises deferred tax liabilities in all cases except where they arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income.

(ii) Recognition of deferred tax assets

The Group recognises deferred tax assets provided that it is probable that sufficient taxable profit will be available against which they can be utilised or when tax legislation envisages the possibility of converting deferred tax assets into a receivable from public entities in the future. Nonetheless, assets arising from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income, are not recognised.

It is considered probable that the Group will generate sufficient taxable profit to recover deferred tax assets when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which are expected to reverse in the same tax period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from a deductible temporary difference can be carried back or forward.

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(iii) Measurement of deferred tax assets and liabilities

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted. The tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets or liabilities are also reflected in the measurement of deferred tax assets and liabilities.

The Group reviews the carrying amount of deferred tax assets at the year end and reduces this amount to the extent that it is not probable that sufficient taxable profit will be available against which to recover them.

Deferred tax assets that do not comply with the above conditions are not recognised in the Consolidated Statement of Financial Position. At year end the Group reassesses whether conditions are met for recognising previously unrecognised deferred tax assets.

(iv) Offset and classification

The Group only offsets current tax assets and liabilities if it has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The Group only offsets deferred tax assets and liabilities if it has a legally enforceable right to offset the recognised amounts, and they relate to income taxes levied by the same taxation authority on the same taxable entity or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets and liabilities are recognised in the Consolidated Statement of Financial Position under non-current assets or liabilities, irrespective of the expected date of realisation.

(v) Consolidated taxation

The Group, which is composed of the companies indicated in Appendix I, files consolidated tax returns.

In addition to the factors to be considered for individual taxation, set out previously, the following factors are taken into account when determining the accrued income tax expense for the companies forming the consolidated tax group:

- Temporary and permanent differences arising from the elimination of profits and losses on transactions between Group companies, derived from the process of determining consolidated taxable income.

- Deductions and credits corresponding to each company forming the consolidated tax group. For these purposes, deductions and credits are allocated to the company that carried out the activity or obtained the profit necessary to obtain the right to the deduction or tax credit.

(q) Classification of assets and liabilities as current and non-current

Assets and liabilities are classified as current when they are expected to be realised or settled in the Group's normal operating cycle, within 12 months after the year end. Otherwise they are classified as non-current.

(r) Environment

The Group takes measures to prevent, reduce or repair the damage caused to the environment by its activities.

Expenses derived from environmental activities are recognised as other operating expenses in the period in which they are incurred. By its nature, the Group's activity does not have a significant impact on the environment and as such no provisions have been recorded for this contingency.

Property, plant and equipment acquired by the Group for long-term use to minimise the environmental impact of its activity and protect and improve the environment, including the reduction and elimination of future pollution from the Group's activities (e.g. the replacement of road surfaces or land related to the laying of pipelines), are recognised as assets, applying the measurement, presentation and disclosure criteria described in Note 3 (d).

(4) Sector Regulation

Separation of regulated and liberalised activities

Article 63 of Hydrocarbon Law 34/1998, of 7 October, establishes the principle of separation of activities between companies carrying out one or more of the regulated activities of regasification, basic storage, transmission and distribution and those carrying out deregulated activities (production or marketing).

This principle, which is incorporated transversally in the energy markets (such as, for example, in the electricity sector), has its origin in the process of market liberalisation initiated in the gas sector by Directive 1998/30/EC and developed by the successive Directives (2003/55/EC and 2009/73/EC). The principle of separation of activities seeks to avoid conflicts of interest between the owners of the infrastructures through which energy is transmitted (regulated activities), and those who produce or market this energy (liberalised activities), while the relationship between both types of activities must be governed by a neutral, transparent and objective third-party access regime established by regulation.

As Spain does not have natural gas fields with a significant capacity, practically all the natural gas consumed has historically been imported from other countries, so that natural gas production activity nationally has been unrepresentative. However, technological developments, environmental objectives at EU level (the REPower EU Plan approved by the European Commission in 2022 includes a target of 35 bcm of biomethane production in the European Union by 2030), and the fact that Spain has been recognised by the European Union as the fifth EU country with the greatest potential for biomethane production, are leading to an exponential deployment of renewable gas production projects that will make it possible to decarbonise consumption supplied from the natural gas grid, taking advantage of the autonomy and security of supply provided by the grid, and without users having to make new investments.

This is why new business opportunities are emerging in the sector, and companies interested in participating in the new production activity must adapt their structures to the aforementioned principle of separation of activities between the regulated activities of regasification, basic storage, transmission and distribution and production.

Natural gas transmission and distribution activities

Directive 98/30/EC of the European Parliament and of the Council, of 22 June 1998, defined the bases of the internal natural gas market, configuring a liberalised market for the supply of natural gas.

Thus, the regulatory framework for the natural gas sector in Spain is based on Hydrocarbon Law 34/1998, in part enacted by Royal Decrees 949/2001 and 1434/2002. The first of these Royal Decrees regulates third-party access to gas facilities and establishes an integrated economic system for the natural gas sector; the second regulates transmission, distribution, trading and supply activities and the authorisation procedures for natural gas facilities.

Over the years, as the sector was gradually liberalised, the aforementioned Hydrocarbon Law was amended on numerous occasions. The most important amendment was pursuant to Royal Decree-Law 8/2014 of 4 July 2014, which approved urgent measures for growth, competitiveness and efficiency and was subsequently passed by the Spanish parliament and published as Law 18/2014 of 15 October 2014, approving urgent measures for growth, competitiveness and efficiency. The law introduced certain measures that update the regulatory-economic framework, the most salient of which are as follows:

- A reform of the general scheme of revenues and costs of the gas system was undertaken, which is based on the principle of economic sustainability and long-term economic balance, taking into account fluctuations in demand and the level of development of existing infrastructure, while sustaining the principle of adequate remuneration for investments in regulated assets, and security of supply. It therefore establishes the principle of economic and financial sustainability of the gas system, such that any legislation leading to a rise in costs or reduction in revenues must include a reduction in costs or an increase in revenues.
- Certain mechanisms were introduced to restrict any annual temporary imbalances in the settlement system, through the automatic review of tolls when certain

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thresholds are exceeded. If these thresholds are not exceeded, the imbalances are financed by the parties subject to the settlement system in proportion to their remuneration, generating receivables in the following five years, with a market interest rate set by Ministerial Order.

- With regard to the remuneration of regulated activities, the reform includes the basic principle of considering the necessary costs for an efficient and well-managed company to perform the activity at the lowest cost for the system.
- In line with electricity sector regulations and the need to ensure regulatory stability, regulatory periods of six years were defined, during which the financial rate cannot be reviewed and no automatic update formulas will be applied to the remuneration of any of the activities. However, as the regulatory reform was proposed in a deficit scenario that is expected to be remedied in the coming years, it allows certain remuneration parameters to be adjusted every three years if significant variations arise in the income and expense items.
- An in-depth, standard review (as described in Note 3 (o)) was undertaken of the remuneration from all activities, encompassing all assets, including those already in service.

By means of Spanish Royal Decree-Law 1/2019, a reform of the scope of powers for the gas system was carried out, adapting the powers of the Spanish National Commission on Financial Markets and Competition (hereinafter, "CNMC") to the requirements of EU law in relation to Directives 2009/72/EC and 2009/73/EC of the European Parliament and of the Council, of 13 July 2009, concerning common rules for the internal market in electricity and natural gas. Among these reforms, worthy of mention is the attribution of powers in favour of the CNMC regarding the establishment of methodologies for determining tolls and remuneration of the regulated activities, including the setting of their values. Therefore, as of 2020, the CNMC has the power to establish these issues, while anything regarding the establishment of new methodologies for determining the remuneration of regulated activities were not applicable until 1 January 2021, upon the conclusion of the first 6-year regulatory period that was established in the aforementioned Law 18/2014. In this regard, during 2019 and 2020, the CNMC worked on a series of Circulars that defined the methodologies for remuneration of the regulated activities developed by Redexis in the gas sector (transmission and distribution) and that are applicable as of January 2021 through December 2026. The most relevant Circulars, insofar as they enable the determination of remuneration for the distribution and transmission activity, were as follows:

- Circular 9/2019, of 12 December, of the National Commission on Markets and Competition, regarding the establishment of the methodology for determining the remuneration of natural gas transmission facilities and of liquefied natural gas plants.
- Circular 4/2020, of 31 March, of the National Commission on Markets and Competition, regarding the establishment of the methodology for determining the remuneration of natural gas distribution.

- Circular 8/2020, of 2 December, of the National Commission on Markets and Competition, regarding the establishment of reference unit values for investment, operation and maintenance for the 2021-2026 regulatory period, and the minimum requirements for audits on investments and costs in natural gas transmission facilities and liquefied natural gas plants.

More recently, the 2021-2030 Integrated National Energy and Climate Plan (PNIEC), approved by Resolution of the Council of Ministers on 16 March 2021, despite anticipating a decrease in the final energy consumption in 2030 with respect to the 2015 values (79.2 ktep vs 84.9), projects a stable natural gas consumption within that period, remaining at 13 ktep. All of which confirms the fundamental role of gas in the energy transition process since, in keeping with the PNIEC's target scenario, this would increase from 15.4% in final energy consumption in 2015 to 17.3% in 2030.

In June 2023, a new version of the Integrated National Plan for Energy and Climate 2023-2030 was subjected to public consultation, allowing stakeholders to submit comments. A revised version of the document is expected to be published, presumably in June 2024.

Channelled bulk LPG retail marketing activity (LPG pipeline distribution)

The Hydrocarbons Act, in its article 44-2, among the activities related to the supply of liquefied petroleum gases recognises the retail marketing of channelled bulk LPG, understood as the distribution and supply of LPG from one or several tanks by pipeline to more than one supply point, delivered to customers in gaseous phase, and whose consumption is measured by a meter for each of the consumers. Therefore, unlike what is established for the natural gas sector, in this activity the distribution and supply are carried out by the same agent and it is specifically called "retail marketing of channelled bulk LPG" (or, more simplified, "pipeline LPG distribution").

This is an activity in which both the sale price to end users (consisting of a fixed term €/month and a variable term c€/kg) and the acquisition or purchase price of LPG from wholesale marketers (c€/kg) are regulated, which are updated each month based on the Order of 16 July 1998 of the Ministry of Industry and Energy, which updates the marketing costs of the system for automatic determination of maximum pre-tax sale prices of liquefied petroleum gases and by which certain supplies are liberalised, and based on Order ITC/3292/2008 of 14 November, which modifies the automatic pre-tax sale tariff determination system of pipeline liquefied petroleum gases.

The pipeline LPG distribution activity is subject to a specific Regulation contained in Royal Decree 1085/1992. However, since it is ultimately the supply of fuel gases by pipeline, this activity is subject to the same technical distribution and use regulations as natural gas distribution, which were approved by Royal Decree 919/2006. So much so that this activity is subject to many of the rights and obligations of the natural gas distribution activity, such as the facility construction and maintenance requirements, the receipt of registration fees in payment for the incorporation of new supply points, or the establishment of a completely identical framework of rights and obligations for the periodic inspection of the reception facilities.

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(5) Segment reporting

CNMC Circular 1/2015 establishes a new regulatory reporting system for costs, aimed primarily at the regulated activities of transmission, regasification, storage and technical management of the natural gas system.

While the detailed information furnished makes reference to the transmission activity, global amounts that make reference to the rest of the activities are also indicated: natural gas distribution, transmission of natural gas, LPG distribution and other activities.

These activities will be assigned the revenues and costs directly attributable to them. Overheads that cannot be directly attributed to a specific activity will be allocated to final activities based on the allocation criteria in Circular 1/2015. The Group has developed an allocation model based on profit centres, which are divided into final and allocable.

The accounting policies of the segments are as described in Note 3.

The assets, liabilities, income and expenses presented in this note by segment/activity include the synergies and economies of scale generated within the Group as a result of its integrated management.

Had the segment or activity costs been managed independently, they would have been slightly higher than the figures reflected.

However, a complete and in-depth analysis of the revenue and costs of the transmission activity will be performed when the regulatory cost reporting is submitted to the CNMC.

The most significant segment details are as follows:

	31/12/2023				
	Thousands of Euros				
	Distribution	Transmission	LPG	Other activities	Consolidated
Goodwill	54,432	164,440	303	9,374	228,549
Non-current assets	1,137,250	523,107	172,099	46,707	1,879,163
Current assets	93,242	50,793	24,660	25,632	194,328
Total assets	1,284,924	738,340	197,062	81,713	2,302,039
Non-current liabilities	948,045	471,083	138,474	34,757	1,592,359
Current liabilities	89,742	11,043	12,821	11,764	125,370
Total liabilities	1,037,786	482,126	151,295	46,522	1,717,730

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	31/12/2023				
	Thousands of Euros				
	Distribution	Transmission	LPG	Other activities	Consolidated
Revenue	6,760	2,752	2,348	732	12,592
Other income	242	30	6	86	364
Self-constructed non-current assets	392	74	21	64	551
Provisions	(310)	(27)	(3,163)	(1,039)	(4,539)
Employee benefits expense	(834)	(242)	(2)	(189)	(1,267)
Depreciation and impairment expenses	(2,812)	(539)	(435)	(61)	(3,848)
Other operating expenses	(622)	(114)	(124)	(84)	(944)
Finance profit/loss	(823)	(176)	(175)	6	(1,168)
Result of investments accounted for using the equity method	-	-	-	(22)	(22)
Profit/loss before tax	1,992	1,759	(1,525)	(506)	1,719

(6) Subsidiaries

(a) Composition of the Group

Appendix I contains information on the subsidiaries included in the Group's consolidation and the related companies included in the Group's scope of consolidation.

(b) Non-Controlling interests

Non-controlling interests reflect the 0.02% equity investment in Redexis Gas Murcia, S.A. and the 25% equity investment in Eficiencia y Red Solar, S.L.

(c) Related companies

Redexis Gas Finance, B.V. was incorporated on 10 March 2014 in the Netherlands and at 31 December 2023 is an investee of Guotong Romeo Holdings Limited, Chase Gas Investments Limited and Arbejdsmarkedets Tillægspension (ATP) (same shareholders as the Parent). Its principal activity is the issue of debt.

All debt issues made by Redexis Gas Finance, B.V. are guaranteed by the Group company, Redexis, S.A.U., and the funds obtained from the issues were transferred to said company by means of loans with the same maturity dates as the debt issued.

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The amount of the loans received by Redexis, S.A.U. at 31 December 2023 is Euros 1,000,000 thousand, and this is the same amount as the one guaranteed by the company for the Redexis Gas Finance, B.V. issues. The list of these loans is itemised in Note 19.

The Redexis Foundation was incorporated on 12 July 2019 and its purpose, in general, is the promotion of technological innovation and the development of social, charity, assistance, training or cultural works. Specifically, the Foundation promotes the development and well-being of the social groups that exist in the territories where the Redexis Group operates, with special consideration given to promoting infrastructures that contribute to a sustainable development and cleaner economy.

(7) Property, plant and equipment

Details of property, plant and equipment and movement during the year ended 31 December 2023 are as follows:

	Thousands of Euros						
	Land	Buildings	Technical installations and machinery	Other installations, equipment and furniture	Other property, plant and equipment	Under construction and advances	Total
Cost at 31 December 2022	-	-	-	-	-	-	-
Business combination addition (Appendix II)	7,084	11,532	2,373,093	4,356	2,549	36,129	2,434,743
Cost at 31 December 2023	7,084	11,532	2,373,093	4,356	2,549	36,129	2,434,743
Accumulated depreciation at 31 December 2022	-	-	-	-	-	-	-
Business combination addition (Appendix II)	-	(4,864)	(1,124,986)	(3,445)	(2,205)	-	(1,135,500)
Depreciations	-	246	(3,311)	(302)	(15)	-	(3,382)
Accumulated depreciation at 31 December 2023	-	(4,618)	(1,128,297)	(3,746)	(2,220)	-	(1,138,882)
Net carrying amount at 31 December 2023	7,084	6,915	1,244,796	610	328	36,128	1,295,861

At 31 December 2023, "property, plant and equipment under construction and advances" reflects investments in gas transmission and distribution networks that the Group expects to complete in the coming months.

At 31 December 2023, the Group has recognised gas plant dismantling costs of Euros 53 thousand under Technical installations and machinery. These expenses were determined based on the Group's best estimate of the market costs of the various physical units involved in dismantling these plants.

The Group has taken out insurance policies to cover the risk of damage to its property, plant and equipment. The cover provided by these policies is considered sufficient.

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The cost of fully depreciated property, plant and equipment in use at 31 December 2023 is as follows:

	Thousands of Euros
	2023
Buildings	1,690
Technical installations and machinery	306,170
Other installations, equipment and furniture	3,018
Other property, plant and equipment	1,863
	312,741

(8) Intangible assets

Details of intangible assets and movement during the year ended 31 December 2023 are as follows:

	Thousands of Euros				
	Licences	Goodwill	Computer software	Other intangible assets	Total
Cost at 31 December 2022	-	-	-	-	-
Business combination addition (Appendix II)	542,914	228,549	64,968	8,809	845,240
Cost at 31 December 2023	542,914	228,549	64,968	8,809	845,240
Accumulated depreciation at 31 December 2022	-	-	-	-	-
Business combination addition (Appendix II)	-	-	(54,055)	(1,885)	(55,940)
Depreciations	-	-	(311)	(3)	(314)
Accumulated depreciation at 31 December 2023	-	-	(54,366)	(1,888)	(56,254)
Net carrying amount at 31 December 2023	542,914	228,549	10,603	6,921	788,987

The goodwill arising on the business combination carried out in 2010, amounting to Euros 213,053 thousand (subsequently reduced by Euros 1,584 thousand), and that generated on the business combination carried out in 2015 amounting to Euros 7,706 thousand, are essentially based on the future profits from the ordinary activities of Redexis, S.A.U. and the companies Redexis Gas Infraestructuras, S.L.U. and Redexis Gas Murcia, S.A., which fail to meet the conditions to qualify for recognition as a separate asset. In addition to the above, the goodwill corresponding to the business combination carried out with Galivi Solar, S.L.U.(called Biored Lorca S.L.U. since February 2024) in November 2023 should be added. It mainly consists of the future economic benefits resulting from the activity of the aforementioned company, which do not meet the conditions established for recognition as a separate asset.

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Details of the allocation of goodwill at 31 December 2023 by cash-generating unit (CGU), are as follows:

	Thousands of Euros
	<u>2023</u>
Gas distribution	54,432
Gas transmission	164,440
LPG	303
Biogas production	<u>9,374</u>
	<u>228,549</u>

A summary of the CGUs to which intangible assets with indefinite useful lives, namely licences for gas distribution and transmission, have been allocated at 31 December 2023 is as follows:

	Thousands of Euros
	<u>2023</u>
Gas distribution	333,493
Gas transmission	<u>209,421</u>
	<u>542,914</u>

The cost of fully amortised intangible assets in use at 31 December 2023 is as follows:

	Thousands of Euros
	<u>2023</u>
Computer software	43,404
Other intangible assets	<u>1,114</u>
	<u>44,518</u>

(9) Right of use assets and lease liabilities

Details and movement in the accounts included in the Rights for use of assets by classes during the year ended at 31 December 2023 are as follows:

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	Thousands of Euros					
	Land	Buildings	Motor Vehicles	Information Processing Equipment	Subsoil use	Total
Cost at 31 December 2022	-	-	-	-	-	-
Business combination addition (Appendix II)	3,058	9,593	3,976	211	4,875	21,712
Cost at 31 December 2023	3,058	9,593	3,976	211	4,875	21,712
Accumulated depreciation at 31 December 2022	-	-	-	-	-	-
Business combination addition (Appendix II)	(943)	(7,022)	(2,614)	(210)	(2,158)	(12,948)
Depreciations	(8)	(32)	(15)	(1)	(12)	(68)
Accumulated depreciation at 31 December 2023	(952)	(7,054)	(2,629)	(211)	(2,171)	(13,016)
Net carrying amount at 31 December 2023	2,106	2,538	1,347	-	2,704	8,696

The Group performs a large part of its activities in properties and facilities leased from third parties. The leases are negotiated with several renewal and cancellation options for flexibility depending on how the business responds in each area. The contracts expose the Group to a certain variability, albeit limited, due to the fact that the majority of these is CPI-linked.

Subsoil occupancy rates for the gas distribution activity are likewise included as well as the charges for subsoil occupancy for the gas transmission activity (under "Subsoil Use"), and those leases of land for facilities belonging to the Group (under "Lands").

In addition, the Group has short-term lease contracts, for which it has recorded an expense in the amount of Euros 8 thousand (Note 30).

The details and relevant amounts of lease contracts by asset type at 31 December 2023 are as follows:

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	Thousands of Euros					
	Land	Buildings	IT Equipment	Motor Vehicles	Subsurface use	Total
31/12/2023						
Amounts						
Fixed lease payments	287	1,035	32	480	452	2,286
Financial expenses for lease liabilities	2	2	-	1	3	8
Long term lease liabilities	1,933	1,626	-	933	2,269	6,761
Short term lease liabilities	243	993	-	453	356	2,045
Conditions						
Lease term	10 years	3 to 4 years	4 years	4 years	4 to 35 years	

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The analysis of the maturity date of the lease liabilities, including future interests to be paid, is as follows:

	Thousands of Euros
	<u>2023</u>
Up to six months	1,023
From six months to one year	1,023
From one to two years	2,057
From two to three years	1,645
From four to five years	575
Over five years	<u>2,484</u>
	8,807

The are no commitments deriving from short-term lease contracts.

(10) Impairment and Allocation of Goodwill and Intangible Assets with Indefinite Useful Lives to CGUs

For impairment testing purposes, goodwill and intangible assets with indefinite useful lives have been allocated to the Group's cash-generating units (CGUs) as detailed in Note 8.

The recoverable amount of a CGU is determined based on calculations of its fair value less costs of disposal. These calculations include estimated cash flow projections, less the post-tax average cost of the capital itself from the underlying CGU activity. The economic forecasts start from the best estimate by management of the evolution of the CGU business for a projection period of 15 years, and assume a terminal value upon its conclusion with a perpetual growth rate (g) of 1.5%.

For the natural gas distribution and transmission activity, a post-tax average cost of capital calculated in accordance with CNMV Circular 2/2019, of 12 November, was used to establish the methodology for calculation of financial remuneration rate of the transmission and distribution activities of electric power, and the regasification, transmission and distribution of natural gas.

The Group determines budgeted gross margins based on past experience and forecast market performance. The weighted average growth rates are consistent with the forecasts included in sector reports. The discount rates used are after-tax values and reflect specific risks related to each CGU.

According to the projections and estimates available to the Company (which include the considerations of the 2021-2030 Integrated National Energy and Climate Plan - PNIEC), the cash flow forecasts attributable to the CGUs to which goodwill and various intangible assets with indefinite useful lives have been allocated make it possible to recover the value of goodwill and intangible assets with indefinite useful lives recognised at 31 December 2023.

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A sensitivity analysis to the assumption of the average cost of after-tax capital in a projection period of 15 years shows that, for the natural gas distribution activity, a sign of impairment of goodwill and intangible assets with indefinite lives would only exist if the perpetual growth rate (g) was -7.7% or lower; in the case of the activity of transmission of natural gas, for a sign of impairment to exist the rate (g) would have to fall to -2% or lower.

(11) Financial Assets by Category and Class

The classification of financial assets by category and class, is as follows:

	Thousands of Euros	
	Non-current	Current
	2023	2023
Financial assets at amortised cost		
Loans	27	104
Security and other deposits delivered	1,642	-
Other financial assets	63	-
Shareholdings accounted for by the equity method	2,433	
Trade and other receivables		
Trade receivables	9,849	38,276
Other receivables	155	51,275
Impairment	-	(2,016)
Cash and cash equivalents	-	92,302
Total financial assets	14,169	179,941

The amount of net profits and losses, corresponding to the category of financial assets at amortised cost in the year 2023 is as follows:

	Thousands of Euros
	2023
Finance income at amortised cost	-
Reversal/(Losses) for impairment (Note 15)	(110)
	(110)

(12) Current and Non-Current Financial Assets

Details of current and non-current financial assets at 31 December 2023 are as follows:

Thousands of Euros

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	2023	
	Non-current	Current
Security deposits paid	1,642	-
Loans to employees and other	27	104
Other financial assets	63	-
Total	1,732	104

Security deposits paid correspond essentially to the balances lodged with the Autonomous Regions, deriving from deposits received from customers when a service is arranged, by virtue of the provisions of applicable legislation in force at any given time. These security deposits are maintained for as long as the Group maintains the supply contract with the customer or if the customer maintains the agreement with its supplier, and its distribution company is a Group company.

(13) Income tax

Details of deferred tax assets and liabilities by type of asset and liability are as follows:

	2023		
	Thousands of Euros		
	Assets	Liabilities	Net
Property, plant and equipment	1,639	(28,943)	(27,305)
Goodwill	-	(11,934)	(11,934)
Deferred income	-	(1,630)	(1,630)
Intangible assets	-	(68,266)	(68,266)
Provisions	52	-	52
Amortisation and depreciation	857	-	857
Personnel remuneration	1,107	-	1,107
Tax loss carryforwards	355	-	355
Net assets and liabilities	4,010	(110,774)	(106,764)

There are no unrecorded deferred tax assets or liabilities.

Deferred tax liabilities relating to property, plant and equipment mostly derive from the application of the tax incentive approved in additional provision 11 of Law 4/2008 of 23 December 2008 and in Royal Decree-Law 13/2010 of 3 December 2010, on accelerated depreciation of property, plant and equipment, which the Group applied in 2009, 2010 and 2011, as well as from the fair value measurement of property, plant and equipment in the business combinations in 2010 and 2015.

Accelerated depreciation is only applied to investments brought into service in the 2009, 2010 and 2011 tax periods that correspond to new assets commissioned under works execution contracts or investment projects with an execution period, in both cases, of less than two years between the commission or investment start date and the date on which

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the asset becomes available or enters service. Investments in distribution assets are depreciated over a period of 20 years for accounting purposes and one year for tax purposes. Investments in transmission assets are depreciated over a period of 40 years for accounting purposes and one year for tax purposes.

All deferred tax liabilities associated with intangible assets and deferred income derive from the aforementioned business combinations.

The merger approved by the shareholders in 2014, detailed in the accounts for the mentioned year, became effective for accounting purposes on 1 January 2014. The Group therefore reversed the deferred tax liability in the amount of Euros 80,748 thousand in the Consolidated Income Statements for 2014. The merger was carried out under the special protection tax regime contained in Chapter VII of Title VII of the Spanish Corporate Income Tax Law and, therefore, the tax value of the property, plant and equipment, intangible assets and goodwill at 1 January 2014 was Euros 23,846 thousand, Euros 245,314 thousand and Euros 6,030 thousand, respectively. The tax effects occur as of when the merger was entered in the Mercantile Registry on 27 February 2015.

On 23 December 2015, the Parent Company of the tax group (Redexis, S.A.U.) requested a ruling from the Directorate-General for Taxation as to whether the tax loss carryforwards of the absorbed subsidiaries (Redexis Gas Transportista and Redexis Gas Distribución), arising from temporary differences to be reversed in the future, should be calculated as a reduction in the deductible merger difference, as was the case with the accelerated depreciation applied by these companies in 2009, 2010 and 2011. On 26 December 2016, the Parent Company of the tax group received a positive response to its query, stating that the tax loss carryforwards of the absorbed subsidiaries arising from temporary differences to be reversed in the future should not be calculated as a reduction in the deductible merger difference. As a result, the tax value of intangible assets and goodwill in 2016 increased by Euros 29,525 thousand and Euros 45,098 thousand, respectively. In 2016 the Group therefore reversed the Euros 7,441 thousand deferred tax liability in the Consolidated Income Statements.

The tax value of intangible assets and goodwill in 2017 increased by Euros 43,031 thousand and Euros 75,253 thousand respectively. The Parent Company of the tax group obtained a tax certificate corresponding to the former Company shareholder, which reveals the capital gain included in the Seller's tax base, the resulting double taxation of the transferring shareholder Endesa Gas, and of the purchasing company Redexis. The aforementioned capital gain could be eliminated by application of paragraph 5 of Transitory Provision 23 of Corporate Income Tax Law 27/2014.

Pursuant to Law 16/2012 of 27 December 2012, which introduced several tax measures to consolidate public finances and boost economic activity, depreciation of property, plant and equipment and amortisation of intangible assets was limited to 70% of the depreciation and amortisation charge for accounting purposes for the 2013 and 2014 tax periods. Consequently, the Group has recognised deferred tax assets of Euros 644 thousand at 31 December 2023. As of 2015, any depreciation and amortisation that was not deducted for tax purposes in the tax periods commenced in 2013 and 2014, due to the aforementioned limit, may be deducted on a straight-line basis over a period of 10 years, or over the useful life of the assets. The Parent Company of the tax group has opted for the 10-year reversal period.

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In accordance with legislation in force, the Group may offset its tax loss carryforwards up to a maximum of 25% of taxable income before the offset. In the calculation of corporate income tax for 2022, the tax Group offset all tax loss carryforwards in an amount of Euros 971 thousand.

With effect from tax periods beginning in 2023, the taxable income of the tax group will be determined by taking into account only 50 per cent of the individual tax losses of each of the entities comprising the tax group.

With effect for subsequent tax periods, the amount of the individual losses not included in the taxable income of the tax group due to the application of the aforementioned measure will be included in the taxable income of the tax group in equal parts in each of the first ten tax periods beginning on or after 1 January 2024, as a result of which the group has recorded a deferred tax asset amounting to Euros 312 thousand.

In the event of loss of the consolidated taxation regime or termination of the tax group, the amount of the individual tax losses pending inclusion in the taxable income of the group will be included in the last tax period in which the group is taxed under the consolidated taxation regime.

Based on the best estimate of future consolidated profits, recovery of the deferred tax assets is considered probable and they have therefore been recognised in the consolidated statement of financial position.

Corporate Income Tax Law 27/2014 of 27 November 2014 amended the income tax rate. The tax rate is 25% for periods commencing on or after 1 January 2016, and for 2015 it was 28%. The Group adjusted all of its deferred tax assets and liabilities based on a tax rate of 25%, except for deferred tax assets arising from non-deductible amortisation and depreciation in view of the application of Law 16/2012 of 27 December 2012. In this respect, Transitory Provision 37 of the CIT Law provides for a deduction in total income tax of 5% of the amounts included in taxable income for the tax period, for depreciation and amortisation not deducted in tax periods starting in 2013 and 2014. This deduction was 2% for the tax periods commencing as of 2015.

There are no items charged or credited directly against other overall income and net equity in 2023.

Details of the income tax expense are as follows:

	Thousands of Euros
	<u>2023</u>
Current tax for the year	4,408
Deferred tax	
Origination and reversal of temporary differences	(3,596)
Accelerated depreciation and	(1,454)
amortisation	
Depreciation and amortisation	720



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Salaries payable	(1)
Goodwill	(2,486)
Provisions	(375)
	<hr/>
Income tax expense for the year (companies)	811
Adjustments and eliminations on consolidation	(424)
	<hr/>
Income tax expense for the year (Group)	375
	<hr/>

A reconciliation of current tax with current income tax liabilities is as follows:

	Thousands of Euros
	<u>2023</u>
Current tax	4,408
Tax loss carryforwards offset and recognised in prior years	311
	<hr/>
Income tax payable for the year (Group)	4,719
Payments on account during the year	(3,284)
Current income tax liabilities	1,435
	<hr/>

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REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

The relationship between the income tax expense and pre-tax profit for the year is as follows:

	Thousands of Euros
	<u>2023</u>
Profit for the year before tax	1,719
Tax at 25%	430
Other net movements	<u>(55)</u>
Income tax expense for the year (Group)	<u>375</u>

In accordance with current legislation, taxes cannot be considered definitive until they have been inspected by the taxation authorities or before the inspection period of four years has elapsed.

The Group has open to inspection by the taxation authorities the main taxes applicable for the following years:

<u>Tax</u>	<u>Years open</u>
Corporate Income Tax (*)	2019 – 2022
Value Added Tax	2019 – 2023
Personal Income Tax	2019 – 2023
All other applicable Taxes	2019 – 2023

(*) The period for filing corporate income tax is within 25 calendar days following six months after the end of the year, whereby the Corporate Income Tax corresponding to 2023 will not be open to inspection until 25 July 2024.

Nevertheless, the right of the taxation authorities to inspect or investigate unused or offset tax loss carryforwards, and unused or applied deductions to promote the undertaking of certain activities, have a 10-year statute of limitations as of the day after the end of the period for filing the tax return or self-assessment corresponding to the tax period in which the right to offset or application was generated. Following that period, the Group should accredit any tax loss carryforwards or deductions by disclosing the settlement or self-assessment and the accounting records, with proof that they were filed at the Mercantile Registry within the above period.

Due to different possible interpretations of prevailing tax legislation, additional tax liabilities could arise in the event of inspection. In any case, the Parent's directors do not consider that any such liabilities that could arise would have a significant effect on the Consolidated Annual Accounts.

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

(14) Inventories

Details of Inventories are as follows:

	Thousands of Euros
	2023
LPG inventories	8,443
Solar Panels	3,090
Other materials	88
Supplier advances	1,486
	13,107

At 31 December 2023, the Company had no commitments to purchase or sell inventories.

(15) Trade, other receivables and other current assets

Details of trade and other receivables and other assets are as follows:

	Thousands of Euros	
	2023	
	Non-current	Current
Trade receivables	9,849	38,276
Receivables, settlements pending	156	49,826
Other receivables	-	1,449
Less impairment due to uncollectibility	-	(2,016)
	10,005	87,535

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REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

	Thousands of Euros
	<u>2023</u>
Public entities	
Taxation authorities, recoverable VAT	503
Taxation authorities, withholdings	106
Other	155
Prepayments	<u>516</u>
Total other assets	<u>1,280</u>

“Trade receivables” primarily comprises balances receivable from suppliers of natural gas for tolls invoiced and propane gas invoiced to end customers. In the case of non-current, they come from sales with deferred payment of energy facilities for third parties.

Current and non-current receivables recorded under debtors, settlements receivable reflect settlements and measurement differences receivable from the gas system.

Movement in impairment due to uncollectibility is as follows:

	Thousands of Euros
	<u>2023</u>
Balance at 1 January	-
Business combination addition (Appendix II)	(1,906)
Reversals for impairment	(110)
Balance at 31 December	<u>(2,016)</u>

At 31 December 2023 there are no past-due unimpaired trade receivables corresponding to balances with Public Entities, for which no credit risk is foreseen.

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REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

(16) Cash and cash equivalents

Details of cash and cash equivalents are as follows:

	<u>Thousands of Euros</u>
	<u>2023</u>
Cash in hand and at banks	<u>92,302</u>
	<u><u>92,302</u></u>

(17) Equity

Details of equity and movement during the year are shown in the consolidated statement of changes in equity.

(a) Capital

At 31 December 2023, the share capital of the Parent Company amounted to Euros 100,000 thousand, represented by 10,000,000 shares of Euros 10 par value each, subscribed and fully paid.

At 31 December 2023, Redexis Energía, S.A. is owned (i) 33.33% by Chase Gas Investments Limited, a subsidiary of the USS private equity fund; (ii) 33.34% by Arbejdsmarkedets Tillægspension (ATP) private equity fund; and (iii) 33.33% by Guotong Romeo Holdings Limited, a company owned by the funds Guoxin Guotong Fund LLT and CNIC Corporation Limited.

The Group actively manages its capital to maintain a structure capable of creating value for its shareholders and other stakeholders, as well as optimising the cost of this, always safeguarding the principle of going concern.

The Group has several levers that allow it to adjust its capital structure. These range from the discretionality in the payment of dividends and in making investments for its organic growth, through the amortisation of debt, issue of shares or sale of assets.

In order to monitor and achieve these objectives, the Group maintains a prudent financial policy that specifies a commitment to maintain an investment grade rating, in other words, BBB- or greater by Standard & Poor's rating agency or any other agency with which the Group maintains a rating request. This entails the fulfilment of a series of leverage ratios and cash generation in accordance with that rating.

(b) Share premium

This reserve, amounting to Euros 302,898 thousand at 31 December 2023, is freely distributable, provided that its distribution would not reduce the Parent's equity to an amount lower than share capital.

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

(c) Other reserves

Details of other reserves are as follows:

	Thousands of Euros
	<u>2023</u>
Other reserves	<u>180,040</u>
	<u>180,040</u>

Legal reserve

The legal reserve has to be appropriated in compliance with article 274 of the Revised Spanish Companies Act, which requires that companies transfer 10% of profits for the year to a legal reserve until this reserve reaches an amount equal to 20% of share capital.

The legal reserve is not distributable to shareholders and if it is used to offset losses, in the event that no other reserves are available, the reserve must be replenished with future profits.

At 31 December 2023, the Parent had not started to set up this reserve as it is its first year of activity.

Other reserves

The goodwill reserve was appropriated in compliance with article 273.4 of the Revised Spanish Companies Act, which required companies to constitute a non-distributable reserve equal to the amount of goodwill recognised in the Parent's individual statement of financial position. However, the amendment to article 39.4 of the Spanish Code of Commerce in 2016 provided for the systematic amortisation of goodwill (in Annual Accounts prepared under Spanish GAAP), thus eliminating the obligation to appropriate this reserve.

At 31 December 2023, other reserves include goodwill reserves amounting to Euros 16,356 thousand, which are non-distributable until the carrying amount of goodwill is lower than the amount of this reserve in the Annual Accounts of each Group company.

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Details of reserves contributed by each Group company at 31 December 2023 are as follows:

	Thousands of Euros
	<u>2023</u>
Redexis Energía, S.A.	159,827
Redexis, S.A.U.	16,270
Redexis Gas Murcia, S.A.	6,380
Redexis Gas Servicios, S.L.U.	(1,340)
Redexis GLP, S.L.U.	(6,916)
Redexis Infraestructuras, S.L.U.	<u>5,819</u>
	<u>180,040</u>

(d) Dividends

During 2023 the Parent Company had not paid any dividends to its shareholders.

(e) Profit/loss for the year

Details of profit/loss for the year contributed by each Group company at 31 December 2023 are as follows:

	Thousands of Euros
	<u>2023</u>
Redexis Energía, S.A.	588
Redexis, S.A.U.	(61)
Redexis Gas Servicios, S.L.U.	174
Redexis GLP, S.L.U.	112
Redexis Murcia, S.A.	531
Redexis Infraestructuras, S.L.U.	(63)
Galivi Solar, S.L.	<u>64</u>
	<u>1,344</u>

(18) Financial Liabilities by Class and Category

(a) Classification of financial liabilities by category

A classification of financial liabilities by category and class is as follows:

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

	Thousands of Euros	
	2023	
	Carrying amount Non-current	Carrying amount Current
Financial liabilities at amortised cost		
Debt with related companies	995,657	12,455
Loans and borrowings		
Variable rate	225,223	2,021
Fixed rate	227,477	18,807
Security and other deposits received	875	-
Payables transformable into subsidies	1,661	-
Other financial liabilities	-	3,552
Lease liabilities	6,761	2,046
Total financial liabilities	1,457,654	38,881

The fair value of loans and borrowings with related companies at 31 December 2023 is Euros 958,530 thousand. For the rest of the liabilities, the fair value is similar to the carrying amount

The average interest rate of these debts with related companies and bank borrowings is 1.96%.

Security deposits received essentially correspond to the deposits received from customers when a service is arranged, by virtue of the provisions of applicable legislation in force at any given time. These security deposits are maintained for as long as the Group maintains the supply contract with the customer or if the customer maintains the agreement with its supplier, and its distribution company is a Group company.

(b) Net losses and gains by financial liability category

Net losses and gains by financial liability category for 2023 comprise finance costs at amortised cost totalling Euros 1,221 thousand.

(c) Changes in Liabilities arising from Financing Activities

The reconciliation of liabilities classified as financing activities is as follows:

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

	Thousands of Euros			
	Debt with related companies	Loans and borrowings	Lease liabilities	Total
Balance at 31 December 2022	-	-	-	-
Business combination addition (Appendix II)	995,657	476,130	8,879	1,480,667
Cash flows	-	730	(73)	657
Other changes	-	(1,980)	-	(1,980)
Balance at 31 December 2023	995,657	474,880	8,806	1,479,343

(19) Debt with related companies

As indicated in Note 6.c, at 31 December 2023 the Parent Company of the Group, Redexis S.A.U., was extended a series of loans by related party Redexis Gas Finance, B.V. in a nominal amount of Euros 1,000,000 thousand at 31 December 2023.

The origin of these loans are the issues of debt made by Redexis Gas Finance, B.V. All issues are guaranteed by Redexis, S.A.U. and the funds obtained from the issues were transferred to said Company by means of said loans.

The list of loans at 31 December 2023 is as follows:

Year 2023

Issue date	Term (years)	Maturity	Coupon	Nominal
27/04/2015	12	27/04/2027	1.99%	250,000
01/12/2017	9 and 5 months	27/04/2027	1.99%	250,000
28/05/2020	5	28/05/2025	1.91%	500,000
				1,000,000

No transactions were performed in 2023.

Accrued interest not yet due at 31 December 2023 is reflected under "Loans and Borrowings with Related Companies" under current liabilities in the Consolidated Statement of Financial Position.

(20) Loans and Borrowings

Details on loans and borrowings at 31 December 2023 are as follows:

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REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Type	2023			
	Thousands of Euros			
	Maturity	Maximum available	Carrying amount	
Current			Non-current	
Loans and borrowings:				
- ESG linked - Revolving Credit Facility	2026	300,000	63 ⁽¹⁾	(692) ⁽²⁾
- EIB loan 2015	2036	122,353	10,126	112,851
- EIB loan 2017	2039	47,059	3,429	44,037
- EIB loan 2018	2040	75,000	5,253	70,588
- ESG linked - Term Loan	2027/2029	225,000	95	224,076
- Reindus 2015	2025	143	72	72
- Reindus 2016	2026	156	52	104
- Reindus 2018	2027	382	76	306
- BBVA 1	2025	225	122	103
- BBVA 2	2026	943	401	542
- BBVA 3	2024	322	322	-
- BBVA 4	2024	202	202	-
- Caixabank 1	2025	197	107	90
- Caixabank 2	2026	766	326	441
- Santander	2025	204	122	82
- ENISA	2026	163	63	100
		773,115	20,828	452,700

(1) Commitment fee.

(2) Outstanding depreciable expenses.

The maturity by year of the loans is:

At 31 December 2023:

	2024	2025	2026	2027	2028 and thereafter	Total
EIB	16,765	16,765	16,765	16,765	177,352	244,412
TERM LOAN	-	-	-	-	225,000	225,000
REST	1,863	1,261	426	153	-	3,703
TOTAL	18,628	18,026	17,191	16,918	402,352	473,115

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

In 2023, the most relevant financing operation was as follows:

- In June 2023, the Group company Redexis, S.A.U. unilaterally waived its right to draw down the Euros 75,000 thousand available under the Term Loan financing arranged in June 2022, leaving Euros 225,000 thousand actually drawn down.

(21) Trade and other payables

Details of trade and other payables are as follows:

	Thousands of Euros
	<u>2023</u>
Suppliers	8,056
Trade payables	17,065
Payables, settlements pending	26,674
Salaries payable	2,707
Payables for acquisition of non-current assets	<u>26,572</u>
Total trade and other payables	<u>81,074</u>

	Thousands of Euros
	<u>2023</u>
Public entities, other	
Taxation authorities, personal income tax	339
Social Security payables	454
Taxation authorities, personal VAT tax	342
Public utility rates, taxes and local council payables	<u>2,845</u>
Total other liabilities	<u>3,980</u>

Payables, settlements pending at 31 December 2023 primarily include the balances related to provisional settlements pending final settlement by the regulatory body for 2021, 2022 and 2023.

"Payables for acquisition of non-current assets" at 31 December 2023 mainly reflect payables for acquisitions of property, plant and equipment, primarily for the extension of distribution networks.

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

(22) Late Payments to Suppliers. Additional Provision 3 of Spanish Law 18/2022, of 28 September.

Details of late payments to suppliers by Spanish consolidated companies are as follows:

	2023
	Days
Average supplier payment period	41
Transactions paid ratio	42
Transactions payable ratio	34
	Amount (thousands of Euros)
Total payments made	198,976
Total payments outstanding	20,194

To calculate the average period of payment to suppliers, the commercial operations corresponding to the delivery of goods or provision of services accrued in each year were taken into account.

Trade and other payables for debts with suppliers of goods or services, included in the item "Trade and other payables" of the current liabilities of the balance sheet are considered suppliers exclusively for the purposes of providing the information set out in this Resolution, regardless of any financing for advance collection from the supplier.

"Average payment period to suppliers" is understood as the term that elapses from the receipt of the goods or the provision of services by the supplier and the material payment of the operation.

The following is the breakdown of the monetary volume and number of invoices paid within the legal period established.

	2023
Monetary volume (thousands of Euros)	193,652
<i>Percentage of the total payments made</i>	87%
Number of invoices	44,772
<i>Percentage of the total invoices</i>	83%

According to Law 3/2004, of December 29, which establishes measures to combat late payment in commercial transactions, amended by Article 33 of Law 11/2013, of July 26, on support measures for entrepreneurs and stimulus for growth and job creation, the maximum legal payment period applicable to the Company in the year 2023 is 30 days, unless agreed upon by the parties, in which case it can be extended to a maximum of 60 days.

(23) Risk Management Policy**Financial risk factors**

The Group's activities are exposed to various financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk, and cash flow interest rate risk. The Group's global risk management programme focuses on uncertainty in the financial markets and aims to minimise potential adverse effects on the Group's profits.

Risks are managed by the Group's finance management in accordance with policies approved by the Board of Directors. This department identifies, evaluates and mitigates financial risks in close collaboration with the Group's operational units.

Credit risk

The credit risk is that which arises as a result of the breach or non-payment of the counterparty in a financial transaction.

Due to its activity, geographic distribution and to the particular characteristics of its customers given the sector in which it operates, the Group does not have significant concentrations of credit risk. In spite of this, the Group has implemented a credit risk control procedure, monitored by a Committee that furthermore evaluates exposure to certain transactions.

On the other hand, the Group policy for financial asset investments is to maintain the availability of their liquidity for use. These balances are maintained in top-tier financial institutions.

The tables below show the ageing of financial assets at 31 December 2023:

	2023					Total
	Thousands of Euros					
	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	More than 5 years	
Trade and other receivables, fixed rate	8,642	29,066	49,827	6,482	3,522	97,539
Other financial assets	3	-	101	-	1,732	1,836
Total assets	8,645	29,066	49,928	6,482	5,254	99,375

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Liquidity risk

The Group applies a prudent policy to cover its liquidity risks, based on having sufficient cash and available financing through credit facilities committed to covering the operating and financial needs of the Group.

The goal of the Group's finance management is to maintain flexible financing through the availability of the credit facilities contracted. To cover any operating needs that may be necessary, it maintains credit facilities in the amount of Euros 300,000 thousand available at 31 December 2023 (Note 21) which, together with cash and cash equivalents (Euros 92,303 thousand in 2023) and the current cash flow generation, cover the operating needs of the Group.

Details of the Group's exposure to liquidity risk at 31 December 2023 are shown below. The tables reflect the analysis of financial liabilities by contractual maturity date.

	2023					Total
	Thousands of Euros					
	Less than 1 month	1 to 3 months	From 3 months to 1 year	1 to 5 years	More than 5 years	
Loans and borrowings	3,216	2,021	18,807	292,282	160,418	476,744
Variable rate	-	2,021	-	225,223	-	227,244
Principal	-	-	-	225,223	-	225,223
Interest	-	2,021	-	-	-	2,021
Fixed rate	3,216	-	18,807	67,059	160,418	249,499
Principal	3,216	-	18,628	67,059	160,418	249,321
Interest	-	-	179	-	-	179
Trade and other payables	11,152	67,216	2,707	-	-	81,074
Debt with related parties	-	-	12,455	495,178	500,479	1,008,113
Fixed rate	-	-	12,455	495,178	500,479	1,008,113
Principal	-	-	-	495,178	500,479	995,657
Interest	-	-	12,455	-	-	12,455
Total liabilities	14,367	69,237	33,969	787,460	660,897	1,565,930

(24) Provisions for Employee Benefits

Details of provisions for employee benefits and their classification as current and non-current are as follows:

Thousands of Euros
2023
Non-current

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Benefit obligations	118
Total	<u>118</u>

(a) Post-employment and long-term employee benefits

Under the current pension scheme, certain Group employees still hold the rights acquired through the pension scheme of the group previously belonged. This scheme provides defined contribution plans for retirement, for which insurance policies have been arranged for cover the Plan.

On the other hand, the social benefit obligations for deferred remuneration commitments in the form of length-of-service and retirement premiums are covered by internal provisions.

At 31 December 2023 obligations with employees provisioned with internal funds correspond to long-service bonuses for serving personnel.

Details of and movement in provisions for long-term employee benefits are as follows (thousands of Euros):

	Other long-term employee benefits
	<u>2023</u>
Balance at 1 January	-
Business combination addition (Appendix II)	118
Balance at 31 December	<u>118</u>

The contributions made by the Group to the pension plan amounted to Euros 30 thousand in the year ended 31 December 2023 and are included under "Personnel expenses" in the Consolidated Income Statement.

At 31 December 2023, no accrued contributions were pending.

(25) Other provisions

Movement in other provisions in 2023 was as follows:

	Thousands of Euros
	<u>2023</u>
Balance at 1 January	-
Business combination addition (Appendix II)	5,411
At 31 December	<u>5,411</u>

These provisions mainly include measurement differences in the distribution and transmission activity pending settlement, several lawsuits and provisions to dismantle facilities and contingent payments for business combinations carried out during the year.

Guarantees

The Group has extended guarantees to various government bodies totalling Euros 46,475 thousand at 31 December 2023 to ensure compliance with its obligations as a company officially authorised to distribute gas in a number of municipalities and to carry out works on public thoroughfares. The Group does not expect any significant liabilities to arise from these guarantees.

(26) Environmental Information

The Group is aware of its responsibility to protect the environment and has undertaken a number of initiatives with this purpose within its area of influence. The Group conducts its activities in full compliance with prevailing environmental legislation.

The Group renders an important energy advisory service to its customers, including active participation in campaigns to replace other energies with natural gas, as well as supporting and facilitating the renewal of facilities, with consequent improvements in energy efficiency and reductions in pollutant emissions.

When so required by law due to the characteristics of the project in question, the Group commissions mandatory reports by independent environmental consultants when carrying out network extension works, and recognises the related costs as an increase in the value of the investment.

(27) Government grants and other liabilities

Movement in non-refundable government grants and other liabilities is as follows:

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Body/Item	2023					Balances at 31 December
	Thousands of Euros					
	Scope	Balance at 1 January	Business combination addition (Appendix II)	Dispos als	Amounts transferred to the Income Statements	
Public entities	PE	-	11,833	-	(26)	11,807
Connection charges	Private	-	10,660	-	(55)	10,605
		-	22,493	-	(81)	22,412

Capital grants awarded by public entities are earmarked for investment in gas pipelines and distribution networks.

(28) Revenue from ordinary activities

Details of revenue are as follows:

	Thousands of Euros
	2023
Remuneration for distribution activities	4,535
Remuneration for transmission activities	1,781
Remuneration for transmission and distribution activities	6,316
Regulated LPG sales	2,479
Other regulated distribution revenue (connection charges, equipment rental and others)	770
Other non-regulated revenue	3,027
	12,592

(i) Breakdown of revenue from ordinary activities:

The following provides a breakdown by type of activity and/or service rendered and the time at which the revenue is recognised:

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

	Thousands of Euros
	2023
Service rendered and/or asset transferred over time	
Gas distribution	4,535
Gas transmission	1,781
Sale of LPG	2,479
Rental of metering equipment	242
Renting and maintaining CRF	309
Service rendered and/or asset transferred at a specific time	
Registration fees	63
IRF Inspections	70
Contracting party connection charges	65
Supply reinstatement fee	21
Revenue from the sale of facilities and PV solar	2,746
Lease income	57
Other income	224

(ii) Contract balances

At 31 December 2023 the Group had no accounts receivable, customer contract assets or liabilities.

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

(29) Other income

Details of other income are as follows:

	Thousands of Euros
	<u>2023</u>
Government grants taken to income (Note 27)	26
Applicant connection charge	56
Income from third-party offsets	40
Profits associated with property, plant and equipment	18
Leases	2
LNG transmission revenue	118
Other income	104
Total	<u>364</u>

(30) Other Operating expenses

Details of other expenses are as follows:

	Thousands of Euros
	<u>2023</u>
Operating lease expenses	8
Repairs and maintenance	391
Independent professional services	275
Bank and similar fees	15
Advertising and publicity	19
Utilities	24
Insurance premiums	32
Taxes	80
Outsourced services	236
Other expenses	133
Impairment losses / (profit) and uncollectibility of trade and other receivables (Note 11)	110
Other non-recurrent expenses	(381)
	<u>944</u>

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

(31) Employee benefits expense

Details of the employee benefits expense for 2023 are as follows:

	Thousands of Euros
	2023
Salaries and wages	679
Social Security payable by the Company	156
Contributions to defined benefit plans (note 24(a))	30
Provisions	-
Other employee benefits	21
Non-recurrent expenses	381
Total	1,267

At the 2023 year end the distribution by gender of Group personnel and the members of the Board of Directors is as follows:

	2023		
	Male	Female	Total
Board members	7	1	8
Steering Committee	6	3	9
Executives and managers	94	25	119
Technical and Support Staff	117	69	186
Other categories	8	3	11
Total	232	101	333

The average number of employees is not provided as the group was formed on 20 December, with this data being irrelevant for 12 days.

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

(32) Finance Income and Costs

Details of finance income and costs are as follows:

	Thousands of Euros
	<u>2023</u>
Finance income	69
Interest on loans and borrowings	(519)
Interest on bond issues	(702)
Other finance costs	(9)
Finance costs arising from provision adjustments (Note 24)	(7)
Net finance profit/loss	<u>(1,168)</u>

(33) Related Party Balances and Transactions

The Group's transactions with related parties are as follows:

	2023		
	Thousands of Euros		
	Associate companies	Key management personnel	Total
Expenses			
Interest	(702)	-	(702)
Donations	-	-	-
Employee benefits expense	-	(107)	(107)
Total	(702)	(107)	(809)

(34) Information on the Members of the Parent Company's Board of Directors and the Group's Senior Management Personnel

At 31 December 2023 the Parent's Board of Directors comprises eight members: one woman and seven men.

Given their status as members of the Board of Directors, no remuneration has been generated in 2023 or payables or receivables under that provision, with the exception of the remuneration resolved in favour of non-executive Presidents, pursuant to the resolution of the General Shareholders Meeting and Board of Directors of the Parent Company of the Group, Redexis, S.A.U. in 2023. However, remuneration is paid to board members who perform executive duties in said Company.

In 2023, the executive board members, with and without executive duties, and other directors who report directly to the board members received remuneration amounting to Euros 3,159 thousand for 12 recipients, which includes the settlement of the bonus

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

accrued in 2022.

According to the best estimate of management within the current context, no amount whatsoever has been provisioned as regards the new long-term incentive plan for 2023.

The Group also has pension and life insurance obligations with its executive board members and other directors who report directly to the Board of Directors. For this concept, the Group incurred an expense of Euros 154 thousand in 2023, for 11 recipients.

The amount of civil liability insurance premiums for damages caused by acts or omissions of Directors and senior management personnel in the exercise of their posts came to Euros 37 thousand annually in 2023.

No advances or loans were granted in 2023 to board members or other directors who report directly to the Board of Directors, nor were any guarantees extended on their behalf.

In 2023, neither the members of the Board of Directors of the Parent nor other directors who report directly to the Board of Directors carried out any transactions other than ordinary business or applying terms that differ from market conditions with the Parent or any other Group company.

The members of the Board of Directors of the Company and their related parties have had no conflicts of interest requiring disclosure in accordance with article 229 of the Revised Spanish Companies Act.

(35) Audit Fees

Deloitte, S.L., the auditor of the Group's annual accounts, accrued the following fees for professional services during the year ended 31 December 2023:

	Thousands of Euros
	<u>2023</u>
Audit services	<u>308</u>
	<u>308</u>

	Thousands of Euros
	<u>2023</u>
Other services	41
	<u>41</u>

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

The amounts detailed in the above table include the total fees for services rendered in 2023, irrespective of the date of invoice.

Other companies affiliated with Deloitte invoiced the Group the following fees and expenses for professional services during the years ended 31 December 2023:

	Thousands of Euros
	<u>2023</u>
Other services	143
	<u>143</u>

(36) Events after the Reporting Period

- On 16 January 2024, the Parent received a dividend from its subsidiary Redexis, S.A.U., charged to distributable reserves, amounting to Euros 46,000 thousand, the purpose of which is, among others, to carry out the necessary corporate reorganisation within the regulatory framework governing the energy sector in Spain and its regulated and non-regulated activities.
- On 23 January 2024, the Parent incorporated Redexis Renovables, S.L.U., with a contribution of Euros 3 thousand, representing 100% ownership of its share capital. The purpose of the company is the management of assets and businesses related to renewable energies, as part of the corporate reorganisation mentioned in the above paragraph.
- On 23 January 2024, the Group company Redexis Servicios, S.L.U. acquired 100% of the share capital of the operating company GV Ecogest, S.L. (renamed Bioered Los Alcáceres S.L.U. from February 2024), which is mainly engaged in the management and treatment of organic, biodegradable and non-hazardous waste for the generation of biogas.
- On 1 February 2024, the Parent made a contribution of funds to its subsidiary Redexis Renovables, S.L.U. amounting to Euros 26,500 thousand in order to purchase various assets and lines of activity included in its corporate purpose from Redexis Gas Servicios, S.L.U., a subsidiary of the Redexis Group, and to carry out the day-to-day management of the company.
- On 16 February 2024, Redexis Gas Servicios, S.L.U., a subsidiary of the group company Redexis, S.A.U., sold all its ownership interests in 10 companies engaged mainly in the management of non-hazardous waste and biogas production, as well as the sale of all its ownership interests in 1 company engaged in the management and production of hydrogen, among other activities. The purchaser of all the shares owned by Redexis

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Gas Servicios, S.L.U. in the 11 companies indicated above was the Group company, Redexis Renovables, S.L.U., which was incorporated on 23 January 2024 as part of the corporate reorganisation indicated in the first paragraph of this note.

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES
Details of Subsidiaries
at 31 December 2023

APPENDIX I

Company name	Registered Office	Activity	Auditor	Company holding investment	% ownership	% of voting rights	Consolidation method
Redexis, S.A.U.	Madrid	Distribution and secondary transmission of natural gas. Distribution and sale of liquefied petroleum gas through pipelines.	Deloitte, S.L.	Redexis Energía, S.A.	100	100	I. Global
Redexis Infraestructuras, S.L.U.	Madrid	Regasification of liquefied natural gas. Natural gas transmission and storage. Related and ancillary activities.	Deloitte, S.L.	Redexis, S.A.U.	100	100	I. Global
Redexis Gas Servicios, S.L.U.	Madrid	Holding of securities, mainly in energy companies. Management, advisory and corporate services linked to the energy sector. Telecommunications operator. Planning, analysis, projects, execution, assembly and operation of infrastructure. Purchase, transfer and financing of capital goods associated with the aforementioned activities and related repairs and maintenance.	Deloitte, S.L.	Redexis, S.A.U.	100	100	I. Global
Redexis GLP, S.L.U.	Madrid	Retail sale and supply of liquefied petroleum gas	Deloitte, S.L.	Redexis, S.A.U.	100	100	I. Global
Redexis Gas Murcia, S.A.	Murcia	Distribution and secondary transmission of natural gas. Distribution and sale of liquefied petroleum gas through pipelines.	Deloitte, S.L.	Redexis, S.A.U.	99.98	99.98	I. Global
Eficiencia y Red Solar, S.L.	Madrid	Carrying out of energy activities and, specifically, the production, storage and marketing of energy from renewable sources.	Pending	Redexis Gas Servicios, S.L.U.	75	75	I. Global
Biored Bajo Cinca, S.L.U.	Madrid	Performance of all kinds of activities, works and services related to the production and supply of energy, in particular renewable gases and their derivatives.	Pending	Redexis Gas Servicios, S.L.U.	100	100	I. Global
Biored Ejea, S.L.U.	Madrid	Performance of all kinds of activities, works and services related to the production and supply of energy, in particular renewable gases and their derivatives.	Pending	Redexis Gas Servicios, S.L.U.	100	100	I. Global
Biored Cuellar, S.L.U.	Madrid	Performance of all kinds of activities, works and services related to the production and supply of energy, in particular renewable gases and their derivatives.	Pending	Redexis Gas Servicios, S.L.U.	100	100	I. Global

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES
Details of Subsidiaries
at 31 December 2023

Company name	Registered Office	Activity	Auditor	Company holding investment	% ownership	% of voting rights	Consolidation method
Biored Arevalo, S.L.U.	Madrid	Performance of all kinds of activities, works and services related to the production and supply of energy, in particular renewable gases and their derivatives.	Pending	Redexis Gas Servicios, S.L.U.	100	100	I. Global
Biored Medina del Campo, S.L.U.	Madrid	Performance of all kinds of activities, works and services related to the production and supply of energy, in particular renewable gases and their derivatives.	Pending	Redexis Gas Servicios, S.L.U.	100	100	I. Global
Biored Alcores, S.L.U.	Madrid	Performance of all kinds of activities, works and services related to the production and supply of energy, in particular renewable gases and their derivatives.	Pending	Redexis Gas Servicios, S.L.U.	100	100	I. Global
Biored Calatayud, S.L.U.	Madrid	Performance of all kinds of activities, works and services related to the production and supply of energy, in particular renewable gases and their derivatives.	Pending	Redexis Gas Servicios, S.L.U.	100	100	I. Global
Galivi Solar, S.L.U.	Murcia	Planning, construction, promotion, management and maintenance of renewable energy plants and facilities, in particular, biogas and biomass plants, and management and treatment of organic waste and all kinds of recovery.	Pending	Redexis Gas Servicios, S.L.U.	100	100	I. Global
Biored Cella, S.L	Madrid	Performance of all kinds of activities, works and services related to the production and supply of energy, in particular renewable gases and their derivatives.	Pending	Redexis Gas Servicios, S.L.U.	75%	75%	Equity method
Biored Vegas Altas, S.L	Madrid	Performance of all kinds of activities, works and services related to the production and supply of energy, in particular renewable gases and their derivatives.	Pending	Redexis Gas Servicios, S.L.U.	75%	75%	Equity method
H2duero, S.L.	Soria	Production, transmission, storage and marketing of hydrogen, biogas, carbon dioxide and other energy fluids, by means of or through the corresponding facilities, either owned by the company or by third parties, as well as the design, construction, start-up, use, operation and maintenance of all types of infrastructures and complementary facilities necessary for these activities.	Pending	Redexis Gas Servicios, S.L.U.	80%	80%	Equity method
Energygreen Gas Almazan, S.L.	Soria	Performance of all kinds of activities, works and services related to the production and supply of energy, in particular renewable gases and their derivatives.	Pending	Redexis Gas Servicios, S.L.U.	70%	70%	Equity method

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES
 Details of Subsidiary Entities
 at 31 December 2022

Company name	Registered Social	Activity	Auditor	Company holding investment	% ownership	% of voting rights	Consolidation method
Redexis Infraestructuras, S.L.U.	Madrid	Regasification of liquefied natural gas. Natural gas transmission and storage. Related and ancillary activities.	Deloitte, S.L.	Redexis, S.A.U.	100	100	I. Global
Redexis Gas Servicios, S.L.U.	Madrid	Holding of securities, mainly in energy companies Management, advisory and corporate services linked to the energy sector. Telecommunications operator. Planning, analysis, projects, execution, assembly and operation of infrastructure Purchase, transfer and financing of capital goods associated with the aforementioned activities and related repairs and maintenance.	Deloitte, S.L.	Redexis, S.A.U.	100	100	I. Global
Redexis GLP, S.L.U.	Madrid	Retail sale and supply of liquefied petroleum gas	Deloitte, S.L.	Redexis, S.A.U.	100	100	I. Global
Eficiencia y Red Solar, S.L.	Madrid	Carrying out of energy activities and, specifically, the production, storage and marketing of energy from renewable sources.	Pending	Redexis Gas Servicios, S.L.U.	75	75	I. Global
Redexis Gas Murcia, S.A.	Murcia	Distribution and secondary transmission of natural gas. Distribution and sale of liquefied petroleum gas through pipelines.	Deloitte, S.L.	Redexis, S.A.U.	99.98	99.98	I. Global

REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES
Balance sheet business combination incorporation of new Parent Company

APPENDIX II

<u>Assets</u>	<u>20/12/2023</u>
Property, plant and equipment	1,299,241
Goodwill	228,549
Other intangible assets	560,751
Right of use assets	8,764
Non-current financial assets	1,451
Shareholdings accounted for by the equity method	2,455
Trade and other receivables	9,005
Total non-current assets	2,110,215
Inventories	15,374
Trade and other receivables	89,760
Other current financial assets	104
Other current assets	1,024
Cash and cash equivalents	83,302
Total current assets	189,563
Total assets	2,299,779
<u>Equity and Liabilities</u>	
	<u>20/12/2023</u>
Capital	100,000
Share premium	302,898
Other reserves	180,040
Other comprehensive income	-
Equity attributable to equity holders of the Parent	582,939
Non-controlling interests	28
Total equity	582,966
Debt with related companies	995,657
Loans and borrowings	452,700
Other financial liabilities	2,836
Lease liabilities	6,761
Deferred tax liabilities	106,764
Provisions for employee benefits	118
Other provisions	5,411
Government grants and other liabilities	22,493
Total non-current liabilities	1,592,741
Debt with related companies	11,631
Interest	11,631
Loans and borrowings	27,318
Principal	23,430
Interest	3,888
Trade and other payables	77,063
Current income tax liabilities	1,060
Other current liabilities	4,881
Lease liabilities	2,118
Total current liabilities	124,071
Total equity and liabilities	2,299,779

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APPENDIX III

Alternative performance measures (APM)

The Redexis Group financial information contains magnitudes and measures prepared in accordance with applicable accounting regulations, as well as others prepared in accordance with reporting standards established and developed internally, which are known as Alternative Performance Measures (APMs).

These APMs are considered magnitudes adjusted with respect to those presented in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU), which is the applicable accounting framework for the consolidated financial statements of the Redexis Group, and should therefore be considered by the reader as supplementary but not replacing these, which should be read, interpreted and reviewed overall and not separately.

These additional financial measures deriving from the consolidated accounting records are not financial or liquidity performance measures of the Group according to the IFRS, and should not be considered as an alternative to consolidated net income; or as an indicator of Group performance; or as an alternative to cash flows from operating activities; or as a measure of Group liquidity. Therefore, they may differ from measures with similar titles reported by other companies and may not be comparable.

The Redexis Group reports these APMs to help users of financial information to understand its financial performance, since these constitute additional financial information and the Group considers that they represent useful alternative and additional indicators of the financial performance of the Group when read or interpreted together with the financial statements.

These APMs are consistent with the main indicators used by the community of investors and analysts in capital markets. To this regard, and in accordance with the contents of the Guidelines issued by the European Securities and Markets Authority (ESMA), in force since 3 July 2016 relative to the transparency of Alternative Performance Measures, the Redexis Group provides the following information deemed significant relative to those APMs included in the 2021 management information.

1. EBITDA

Acronym for “Earnings Before Interest, Tax, Depreciation and Amortisation”. This is an indicator of the results from operating activities of the Group, before deducting net interest, corporate income tax, depreciation and amortisation and prior to possible adjustments for non-recurring items relative to remuneration from gas transmission from previous years, possible non-recurring organisational restructuring and/or personnel expenses, other non-recurrent operating expenses or non-current asset impairment.

2. EBIT

Acronym for “Earnings Before Interest and Taxes”: indicator that measures the results from operating activities of the Group before deducting interest and corporate income tax.

3. EBT

Acronym for “Earnings Before Taxes”: indicator that measures the results from operating activities of the Group before deducting corporate income tax.

4. EBITDA margin

EBITDA figure of the total operating income and other revenue.

5. EBITDA margin less the dilutive effect of the LPG

The EBITDA figure of the total operating income and other revenue, after deducting the cost of the LPG from these, so as to show the net margin of the LPG in the income as remuneration, in the same way as the natural gas distribution and transmission business.

6. Total income and other operating income

Total income and other operating income plus the work carried out by the company for its fixed assets.

7. Personnel expenses

Expenses for salaries and wages and other employee benefit expenses, without including non-recurrent expenses relative to organisational changes or other non-recurrent expenses.

8. Capital / Investment Expenses

Capital used in additions of non-current tangible assets, such as PPE (property, plant and equipment) including outlays for the acquisition of subsidiaries or business units and including additions of non-current intangible assets.

CONSOLIDATED DIRECTORS' REPORT

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1. Position of the company

1.1. Organisational and corporate structure

Redexis Energía S.A. is the parent company of the Redexis Energía group of companies (hereinafter the "Group" or "Redexis Energía"), dedicated to the development of gas and renewable energy infrastructures such as hydrogen or biomethane. Through its networks it provides access to numerous residential, industrial and service sector customers, and as a producer of renewable gases it will build and operate biomethane and hydrogen production plants for sale in wholesale markets.

On 20 December 2023, Redexis Energía, S.A. was incorporated as a newly created company to act as the holding company of a business group with two branches of activity separated into two parent companies: the regulated natural gas transmission and distribution activities, and the renewable gas production activity. At the same time, the contribution of the shares from Redexis S.A. to Redexis Energía S.A. was formalised. Consequently, the shares of Redexis S.A.U. are now wholly owned by its Parent company Redexis Energía S.A., which is therefore the sole shareholder of Redexis S.A.U., which has become a single-member company.

In February 2024, Redexis Renovables, S.L.U., a sole shareholder company wholly owned by its parent company Redexis Energía S.A.U., the sole shareholder, was incorporated to develop the Group's renewable gas production activity. In addition, the companies that will be dedicated to the production of renewable gases in the future were transferred to Redexis Renovables, S.L.U.

The companies comprising Redexis Energía at year-end 2023 and February 2024 are listed below.

Companies that make up Redexis Energía

- Redexis Energía, S.A.: holding company, holder of the shares of the parent company Redexis S.A.U. and, since February 2024, of the parent company Redexis Renovables S.L.U. It centralises the provision of corporate services to Group companies.
- Redexis, S.A.U: Parent Company engaged in the distribution and transmission of all types of gas and oil-based products for domestic, commercial and industrial purposes, the use of any by-products, and activities related with the above. It is 100% owned by Redexis Energía, S.A.
- Redexis Infraestructuras, S.L.U. devoted to the regasification of liquefied natural gas, natural gas transmission and storage and related and ancillary activities. It is 100% owned by Redexis S.A.U.
- Redexis GLP, S.L.U. is devoted to the retail sale and supply of liquefied petroleum gas. It is 100% owned by Redexis S.A.U.
- Redexis Gas Murcia, S.A. is devoted to the distribution and secondary transmission of natural gas, and the distribution and sale of liquefied petroleum gas through pipelines. It is 99.98% owned by Redexis S.A.U.
- Redexis Gas Services, S.L.U. is devoted, among others, to the planning, analysis, project, execution, assembly and operation of infrastructures, in addition to the management, advisory and corporate services linked to the energy sector. It is

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100% owned by Redexis S.A.U.

- Eficiencia y Red Solar, S.L., devoted to the carrying out of energy activities and, specifically, the production, storage and marketing of energy from renewable sources, such as photovoltaic facilities, through of by means of the corresponding facilities, of its own or of third parties. 75% owned by Redexis Gas Servicios, S.L.U. Since its creation, the company has not been active.
- Redexis Renovables S.L.U, a holding company mainly dedicated to XX. Incorporated in February 2024 and wholly owned by Redexis Energía S.A.
- Biored Arévalo, S.L.U., mainly engaged in the construction and operation of a waste management and biomethane production plant. Wholly owned by Redexis Gas Servicios, S.L.U. at the end of 2023 and transferred to Redexis Renovables S.L.U. in February 2024.
- Biored Bajo Cinca, S.L.U., mainly engaged in the construction and operation of a waste management and treatment and biomethane production plant. Wholly owned by Redexis Gas Servicios, S.L.U. at the end of 2023 and transferred to Redexis Renovables S.L.U. in February 2024.
- Biored Ejea, S.L.U., mainly engaged in the construction and operation of a waste management and treatment and biomethane production plant. Wholly owned by Redexis Gas Servicios, S.L.U. at the end of 2023 and transferred to Redexis Renovables S.L.U. in February 2024.
- Biored Cuellar, S.L.U., mainly engaged in the construction and operation of waste management and treatment and biomethane production plants. Wholly owned by Redexis Gas Servicios, S.L.U. at the end of 2023 and transferred to Redexis Renovables S.L.U. in February 2024.
- Biored Medina del Campo, S.L.U., mainly engaged in the construction and operation of waste management and treatment and biomethane production plants. Wholly owned by Redexis Gas Servicios, S.L.U. at the end of 2023 and transferred to Redexis Renovables S.L.U. in February 2024.
- Biored Calatayud, S.L.U., mainly engaged in the construction and operation of waste management and treatment and biomethane production plant. Wholly owned by Redexis Gas Servicios, S.L.U. at the end of 2023 and transferred to Redexis Renovables S.L.U. in February 2024.
- Biored Alcores, S.L.U., mainly engaged in the construction and operation of waste management and treatment and biomethane production plants. Wholly owned by Redexis Gas Servicios, S.L.U. at the end of 2023 and transferred to Redexis Renovables S.L.U. in February 2024.
- Biored Cella, S.L., mainly engaged in the construction and operation of waste management and treatment and biomethane production plant. 75% owned by Redexis Gas Servicios, S.L.U. at the end of 2023 and transferred to Redexis Renovables S.L.U. in February 2024.
- Biored Vegas Altas, S.L., mainly engaged in the construction and operation of a waste management and treatment and biomethane production plant. 75% owned by Redexis Gas Servicios, S.L.U. at the end of 2023 and transferred to Redexis Renovables S.L.U. in February 2024.
- Galivi Solar, S.L.U. (called Biored Lorca S.L.U. since February 2024), mainly

dedicated to the operation of waste management and treatment plants and the production of biogas and biomethane. Wholly owned by Redexis Gas Servicios, S.L.U. at the end of 2023 and transferred to Redexis Renovables S.L.U. in February 2024.

- H2Duero, S.L., mainly engaged in the construction and operation hydrogen production plants. 80% owned by Redexis Gas Servicios, S.L.U. and transferred to Redexis Renovables S.L.U. in February 2024.
- Energygreen Gas Almazan, S.L., mainly engaged in the operation of non-hazardous waste management and treatment and biomethane production plants. 70% owned by Redexis Gas Servicios, S.L.U. at the end of 2023 and transferred to Redexis Renovables S.L.U. in February 2024.

In addition, there are three entities linked to Redexis Energía:

- Redexis Gas Finance, B.V., a company devoted to debt issuance on capital markets. It has the same shareholders, and in the same percentage as Redexis, S.A.
- The Redexis Foundation is an entity devoted to the promotion of technological innovation aimed at energy transition, to enhance social work and promote the development of local communications through social, cultural, informative and sports projects.

1.2. Activity

Redexis Energía is an infrastructure development group engaged in activities of natural gas transmission and distribution, distribution and supply of liquefied petroleum gas (LPG) and promotion and development of renewable energies, such as biomethane and hydrogen.

The Company Redexis, S.A. and its subsidiaries that form part of the Group. develop and operate infrastructures to transmit gas from the main transmission networks in Spain to the points of consumption in homes, businesses, industries and service stations.

The Group is firmly committed to society and the environment, promoting the development of infrastructures to accelerate the energy transition in Spain, making a decisive contribution to sustainable development within the European strategy of achieving carbon neutrality by 2050 and generating value for its stakeholders.

Thus, the Group promotes and operates infrastructures that enable the use of clean and renewable energies such as hydrogen and biomethane, and offers comprehensive energy efficiency solutions to its customers, including photovoltaic energy.

1.2.1. Key indicators

With nearly 773 thousand supply points and a volume of distributed energy of 31TWh, the Group gives access to a sustainable and efficient source of energy, natural gas and LPG, serving 929 municipalities in 39 provinces through more than 12,000 kilometres of its own energy infrastructure. It operates in the Autonomous Regions of Aragón, Andalusia, the Balearic Islands, Castilla-La Mancha, Castilla y León, Catalonia, the Region of Madrid, Valencia, Extremadura, Navarra, La Rioja and Murcia. The Group has already developed a network of 28 refuelling stations in service nationwide that provide access to a competitive and low-emission mobility alternative. Almost 90% of Redexis activity is regulated and aimed at providing an optimal, safe and efficient service to residential, industrial and transmission

users.

In 2023, Redexis, S.A. continued its expansion plan, adding around 22,000 new supply points (3 thousand new points), new tertiary and industrial demand and delivering two biomethane injection points to existing networks and the 73 new kilometres of distribution networks deployed in the year.

In terms of renewable gas production, the Group has set up 9 project companies for the development of biomethane production plants, acquired 3 companies that own 3 agro-industrial waste treatment plants and has set up a joint venture with Somacyl for the future operation of the first green hydrogen production plant in Castilla y León in Garray (Soria).

Operating data	2023	2022	% Var.
Connection points	772,906	769,955	0.4%
Natural gas (NG) P<4bar	656,031	651,568	0.7%
LPG (*)	116,537	116,258(*)	0.2%
Natural gas (NG) P>4 bar	338	343	(1.5%)
Provinces served	39	39(*)	0.0%
Municipalities served(*)	929	899(*)	3.3%
Length of the network (km)	12,132	12,058	0.6%
Distribution network (km)(*)	10,486	10,413	0.7%
Transmission network (km)	1,645	1,645	0.0%
Power distributed (GWh)	31,089	28,893	7.6%

(*) The figures in the table include the points integrated as of the end of each period. In 2022, there were 2,407 supply points pending integration in 83 municipalities.

From a financial point of view, the Group closed 2023 with revenues of Euros 13.5 million and a consolidated EBITDA of Euros 6.8 million (only 12 days of activity), with an EBITDA margin of 50.0% (58.1% if the net margin of LPG is included in Revenues).

Financial information	2023
<i>Figures in millions of Euros, except where indicated</i>	
Income	13.5
Distribution - regulated	4.5
Other distribution revenues - regulated	0.8
Transmission - regulated	1.8
Regulated LPG business	2.5
Other operating income	3.4
Self-constructed non-current assets	0.6
EBITDA	6.8
<i>EBITDA margin</i>	<i>50.0%</i>
<i>EBITDA Margin (with net LPG margin in revenue)</i>	<i>58.1%</i>

1.2.2. Activities

(a) Distribution

The Group builds, operates and maintains the distribution facilities to supply natural gas to different municipalities in Spain and gives new users access to gas. This activity is regulated.

At the close of 2023, the Group has 656,031 natural gas supply points and a distribution network spanning 9,035 km distributing natural gas to 273 municipalities in Spain, with the addition of four new municipalities in Andalusia with regard to 2022.

The Group has developed a network of 28 refuelling stations of real national scope: 12 LNG stations for long-distance heavy traffic that cover the country's main traffic corridors, 12 CNG stations that provide service for transport fleets such as the public bus service of Transporte de las Islas Baleares (TIB), or the ambulance service in Murcia; and 4 CNG stations open to the general public in the main Spanish cities.

In addition, in 2023, the Group has delivered two biomethane injection points to its distribution networks in Soria and Murcia.

The Group continues to invest in R&D for more efficient and safer activity. Thus, the Group moved forward this year in new initiatives for robotisation and adaptation of the networks to renewable gas. Likewise, it uses artificial intelligence algorithms which make it possible to expand the network more efficiently, optimising contracts, and improving levels of security and the quality of supply.

(b) Transmission

The Group operates and maintains its own network of gas pipelines, supplying natural gas to the areas in which consumption is most concentrated. This activity is regulated.

At the end of 2023, the Group had a network of 1,645 km, comprising 51 gas pipelines and transmitting gas at pressures exceeding sixteen bars to industrial hubs and connections with distribution networks.

(c) Liquefied Petroleum Gas (LPG)

The Group distributes and sells liquefied petroleum gas (LPG), a regulated activity subject to the regime provided by Title IV of Hydrocarbon Law 34/1998.

The LPG business complements the natural gas distribution business, enabling the Group to capitalise on growth opportunities in areas where it is not feasible to extend its distribution network, and to provide its end customers with an optimised high-quality service that is secure and efficient.

The Group currently has 116,000 LPG points and more than 1,400 km of network in 852 municipalities nationwide.

Building on its experience, the Group converts these LPG supply points into natural gas points. These conversions take place gradually, taking into account technical and regulatory criteria.

(d) Renewable gases

The Group will develop plants for the production and sale of renewable gases through the

company Redexis Renovables. The production and wholesale activities of renewable gases are not regulated.

In 2023, the Group set up 9 project companies for the development of biomethane production plants.

In addition, the Group has acquired three companies that own three agro-industrial waste treatment plants, so that in the future they will start producing biomethane from the biogas obtained in the waste treatment process: Energygreen Gas Almazán S.L. (Soria), Galivi Solar S.L. (Murcia) and, in January 2024, GV Ecogest S.L. (Murcia). In February 2024, the latter two companies will be renamed Biored Lorca S.L.U. and Biored Los Alcáceres S.L.U., respectively.

In the field of hydrogen, the group has set up a joint venture with Somacyl for the future operation of the first green hydrogen production plant in Castilla y León in Garray (Soria).

1.3. Business model and strategy

Redexis Energía has a strategic plan aimed at boosting and developing energy infrastructures to speed up the energy transition in Spain, fully aligned with the Integrated National Energy and Climate Plan 2021-2030 (PNIEC) published by the Spanish Government as part of the European strategy to attain carbon neutrality by 2050.

This plan revolves around three main axes:

1. Develop and operate gas infrastructures efficiently, adapting them to renewable gases.
2. Promote renewable gas projects, in particular biomethane and hydrogen, facilitating their injection into gas networks.
3. Provision of integral energy solutions to support our customers in meeting their energy efficiency goals to attain energy efficiency, reduced emissions and increased competitiveness.

Sustainability (ESG) is an integral part of the 'Group's strategy, which seeks to attain the following sustainable development goals:

- Reduce the direct carbon footprint (scope 1 and 2) and offset total emissions (scope 3).
- Develop local and regional economies and create employment.
- Make progress with social goals through the Redexis Foundation
- Increasing the importance of ESG-based objectives and increased Corporate Governance monitoring activities.
- Increase the presence of women in executive and management positions, developing specific plans.

The Group wagers for sustainable growth, aimed at a more sustainable and efficient business model. To this end, the pillars on which the activity are based are balanced and sustainable

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

- Operational excellence, focusing on customer satisfaction.
- Innovation, by means of the use of the most advanced technology to obtain greater efficiency.
- Proactive risk management based on prevention and anticipation.
- Creation of value for society and stakeholders.
- Respect for and conservation of the environment.
- People: key to the development of Redexis.
- Financial stability based on a prudent financial policy in which any investment should be financially sustainable, and that is reflected in the Redexis' commitment to maintain an investment grade credit level.
- Sustainability in all economic, social and environmental spheres.

2. Business evolution and results

2.2. Key milestones in 2023

The most significant events of Redexis Energía during the year are detailed below:

Corporate structure

- The Group has begun the process of corporate reorganisation in order to provide itself with a new organisational structure for the development of the future renewable gas production business, separating the regulated activities of natural gas transmission and distribution, and complying in advance with the provisions of the hydrocarbon law on the separation of regulated activities and the production of renewable gases.
- Incorporation of Redexis Energía, S.A., becoming the holding company of the Redexis Energía Group and sole shareholder of Redexis, S.A.U.

Credit rating and sustainability

- Standard & Poor's (S&P) credit rating agency reaffirms Redexis' investment credit quality, maintaining its BBB- rating with a stable outlook.
- GRESB, the worldwide Sustainability benchmark, awarded Redexis with the maximum of five stars for the fifth consecutive year for its performance in ESG (Environmental, Social and Governance) for a total of 95 points out of 100.
- The Sustainability Index and RSC Moody's ESG Solutions (formerly Vigeo Eiris), maintained Redexis at the highest rating of "Advanced" in ESG, an above average rating in the sector.

Business development

- The Group continues to promote the development of gas infrastructures prepared for renewable gases, investing Euros 70 million to connect new residential and industrial users and to develop and inject renewable gases into its networks.
- The Group reaches 772,906 supply points, extending its presence in Spain, serving 929 municipalities in 39 provinces.
- In the natural gas vehicle business, Redexis closed 2023 with 28 refuelling stations developed throughout Spain.

Renewable gases: biomethane and hydrogen

- Redexis receives around 250 project applications and requests for information for the injection of biomethane into its networks, with an injection point in Soria being commissioned in April 2023 and the construction of an injection point for a plant in Murcia nearing completion.
- Redexis finishes the construction of its first biomethane injection point in Ólvega (Soria) as part of the Biolvegas project of construction of a biogas plant for the recovery of municipal waste. Since April 2023, the plant has injected biomethane into its networks and plans to inject 38 GWh of biomethane per year, equivalent to the annual natural gas consumption of more than 8,100 homes or 25% of all the gas consumed in the municipality.
- Redexis finishes the construction of a biomethane injection facility to connect the Galivi Solar biogas plant in Lorca (Region of Murcia) into its distribution network. The injection of around 40 GWh of biomethane per year is planned.
- 9 project companies have been set up for the promotion and processing of biomethane production plants: Biored Arévalo S.L.U., Biored Bajo Cinca S.L.U., Biored Ejea S.L.U., Biored Cuellar S.L.U., Biored Medina del Campo S.L.U., Biored Calatayud S.L.U., Biored Alcores S.L.U., Biored Cella S.L., Biored Vegas Altas S.L., Biored Alcores S.L.U., Biored Cella S.L., Biored Vegas Altas S.L. These companies will be transferred to Redexis Renovable, S.L.U. in the first quarter of 2024.
- Three companies that own three agro-industrial waste treatment plants have been acquired to start producing biomethane in the future from the biogas obtained in the waste treatment process: Energygreen Gas Almazán S.L. (Soria), Galivi Solar S.L. (Murcia) and GV Ecogest S.L. (Murcia). These companies will be transferred to Redexis Renovable, S.L.U. in the first quarter of 2024. In February 2024, the companies Galivi Solar S.L.U. and GV Ecogest S.L.U. will be renamed Biored Lorca S.L.U. and Biored Los Alcáceres S.L.U., respectively.
- Redexis is building a 2.5 MW green hydrogen production plant in Garray (Soria) for Somacyl (a public company of the regional government of Castilla y León specialising in renewable energy and energy efficiency projects).
- H2 Duero, a joint venture between Redexis and Somacyl, was created for the future operation of the first green hydrogen production plant in Castilla y León in Garray (Soria). It will produce 300 tonnes of hydrogen to supply the industrial and mobility sector. This company will be transferred to Redexis Renovable, S.L.U. in the first quarter of 2024.

- Redexis has been awarded more than Euros 20 million in funding from the IDAE (Institute for Energy Diversification and Saving, a body attached to the Ministry for Ecological Transition and the Demographic Challenge, through the Secretary of State for Energy) for the development of two hydrogen projects: H2 BCN Hub in Barcelona and Aira H2 in Seville.
- Redexis reached an agreement with Iberostar for the installation of a green hydrogen fuel cell for cogeneration at the Iberostar Bahía de Palma hotel in Mallorca. This battery will supply more than 70% of the hotel's thermal consumption, with an estimated consumption of 10 tonnes of green hydrogen. This agreement arises from the Green Hysland project, financed by the European Commission for the supply of green hydrogen on the island of Mallorca (Balearic Islands), for which Redexis has been responsible, among other things, for the construction of a hydrogen pipeline infrastructure.

Foundation and sponsorships

- The Foundation has made two donations to the Emergency Committee, the first to alleviate the effects of the earthquake in Syria and Turkey and the second to help in the humanitarian emergency caused by the earthquake in Morocco.
- Launch of phase III of the Assistance Line for welfare projects that help improve the quality of life of at-risk groups, with a special focus on the improvement of energy efficiency and quality of life.
- Redexis has renewed its sponsorship of the UCAM Murcia basketball club.
- Planting and reforestation of a plot of land in the province of Zaragoza, in collaboration with "El Bosque de los Zaragozanos", in which Redexis employees and their families participated.
- Financial support in outreach projects via the Aragon Hydrogen Foundation for doctoral theses, master degree's final projects and dissertations to promote research in hydrogen as an energy vector.
- Launching of the "Energía 26" study grants for the children of Redexis employees undergoing baccalaureate studies, intermediate/higher vocational training or bachelor's degree studies in the 2023/2024 academic year, with the aim of encouraging and recognising academic effort and promoting development in the educational sphere.

Environment and safety

- The ISO 14001 certifications are verified: 2015, environmental management system; the ISO 50001: 2018, energy management system, the ISO 45001: 2018; the occupational health and safety management system, and the ISO 50001:2018 transmission, storage and distribution of natural gas and liquefied natural gas (LNG) and liquefied petroleum gas (LPG).
- In December 2023 the Group recorded its carbon footprint, exceeding the greenhouse gas verification of the Company's Scopes 1, 2 and 3 with no reservations and with the declaration of a positive opinion, in compliance with ISO 14064, by an external and independent entity.

2.3. Analysis of results

Key indicators:

Key financial indicators	2023
Figures in millions of Euros	
Regulated revenues	9.6
Regulated distribution revenue	4.5
Other regulated distribution revenue	0.8
Regulated transmission revenue	1.8
Regulated LPG business	2.5
Other operating income	3.4
Self-constructed non-current assets	0.6
Total Income	13.5
Provisions	(4.5)
Employee benefits expense	(0.9)
Other recurrent operating expenses	(1.3)
EBITDA	6.8
Other non-recurrent operating expenses	0.4
Non-recurrent workforce expenses	(0.4)
Impairment losses on non-current assets	(0.1)
Depreciation and amortisation	(3.8)
Earnings before interest and taxes (EBIT)	2.9
Finance profit/loss	(1.2)
Earnings before tax (EBT)	1.7
Income tax (expense)/revenue	(0.4)
Profit/loss for the year	1.4

Note 1: Redexis Group revenues comprise the remuneration it receives from the gas system for its transmission and distribution activities, as awarded by the national regulatory authorities.

Group revenues were 9.6 million, achieving an EBITDA of 6.8 million (only 12 days of activity).

The evolution of revenues is partly due to the 2021-2026 regulatory framework and has been mitigated by the growth in connection points and the favourable evolution of industrial demand and the LPG business.

In the residential sector, gas volumes continued to be conditioned by abnormally warm temperatures, resulting in two consecutive very warm winter seasons. The Group continued to grow in the residential segment, connecting 22,000 new supply points to its networks.

In the industrial sector, the normalisation of gas prices coupled with growth investments in this segment have led to a 20% increase in volumes compared to 2022. Likewise, the level of contracting remains above 1.1 TWh, exceeding forecasts for the industrial and tertiary segment.

3. Liquidity and capital resources

3.2. Debt structure

Redexis conducts a prudent management of the liquidity risk ensuring compliance with the payment commitments acquired, trade as well as financial, covering funding needs by means of the recurring cash generation from its businesses, as well as the contracting of long-term loans and credit facilities.

In these past few years, Redexis has proven its ability to access capital markets by means of bank facilities, bond issues and loans with the EIB.

At 31 December 2023, Redexis has liquidity in the amount of Euros 392.7 million, according to the following breakdown:

Liquidity analysis (in € m)				
Type	Total	Drawn down	Available	
Sustainable revolving credit facility	300.0	-	300.0	
Cash and cash equivalents	92.7	-	92.7	
Total	392.7	-	392.7	

The debt structure of the Group is as follows:

Debt structure (in € m)					
Type	Total	Drawn down	Available	Maturity	
Loan with the European Investment Bank	122.3	122.3	-	2036	
Loan with the European Investment Bank	47.1	47.1	-	2039	
Loan with the European Investment Bank	75.0	75.0	-	2040	
Debt with related parties (*)	500.0	500.0	-	2025	
Debt with related parties (*)	500.0	500.0	-	2027	
Sustainable bank loan	225.0	225.0	75.0	2027-2029	
Sustainable revolving credit facility	300.0	-	300.0	2024-2026	
Others	3.7	3.7	0.0	2024-2027	
Total gross debt	1,773.1	1,473.1			
Cash and cash equivalents		92.7			
Net debt		1,380.4			

(*) Loans with Redexis Gas Finance, B.V., devoted to the issue of debt, and that are related to the issue of bonds by Redexis Gas Finance, B.V. with the guarantee of Redexis, S.A.U.

In June 2023, Redexis unilaterally waived the right to draw down the Euros 75,000 thousand available under the Term Loan financing formalised in June 2022, leaving Euros 225,000 thousand actually drawn down. Redexis has no relevant short term maturity, and has sufficient liquidity and financial resources to ensure its growth, address its future investments and its financial commitments.

3.3. Credit rating

On 27 September 2023 the credit rating agency Standard & Poor's prepared the annual report for Redexis, S.A., which maintained its BBB- rating with a stable outlook and investment grade category.

At year-end, there has been no update.

Note: the ratings may be reviewed, suspended or withdrawn by the rating entity at any time.

4. Events after the reporting period

Events after the year end are described in Note 36 to the Consolidated Annual Accounts.

5. Information on outlook

Natural gas represents about 25% of national energy consumption and is an essential source of energy for the Spanish economy. More than 8 million homes use this source of energy and in the tertiary and industrial sector, gas accounts for around 30% of energy consumption. Gas is a competitive, low-emission energy source and contributes to the sustainability and economic viability of homes, businesses and industries.

The role of gas infrastructures is essential in energy transition and for the development of a circular economy based on energy vectors that depend less on non-renewable sources and that promote the management of agricultural and urban waste, such as biomethane and hydrogen. This is established in the National Integrated Energy and Climate Plan '21-30 (PNIEC) and the Decarbonisation Strategy to 2050 prepared by the Spanish Government within the scope of the Law on Climate Change and Energy Transition and which are aligned with the European Green Deal. In addition, biomethane and hydrogen roadmaps have been prepared, along with specific regulation to guarantee the origin of biomethane to chart the path toward the development of these energy sources.

The Spanish gas infrastructure is consistent to the development of renewable gases without the need for additional major investments, making it relatively easy to diversify supply sources, increasing and improving the security of supply to Spanish homes and industries.

Numerous projects are currently being developed in Spain for the production of renewable gases and their injection into the gas networks. Green hydrogen and biomethane are recognised as energies that contribute to achieving the European Commission's carbon neutrality objectives, and the different European programmes include aid for the development of these renewable energies.

Redexis, in its firm commitment to sustainability, facilitates the injection of renewable gases into its networks and the access of residential, industrial and mobility customers to carbon neutral gases.

As a benchmark energy infrastructures company, leader in efficiency and firmly committed to its users, employees and shareholders, Redexis wagers for a move toward a more sustainable and efficient business model to address the new challenges facing the energy sector.



6. Main risks associated with Redexis activities

Just like any other company or group of operating companies, the Group is exposed to several risks inherent to the sector, to the markets in which it operates and to the activities it performs that, were they to materialise, could prevent the attainment of its objectives and the successful execution of its strategies.

The Group has opted for a control and risk management model that makes it possible to adapt to the economic context and to the business activity of the Group, in order to be able to respond to any risks that it may face.

The Group has an Audit and Risk Committee whose duty is to oversee activity and risk management, reviewing policies and practices regarding this management, as well as ensuring the ability of the Group to identify new risks and monitor the effectiveness of the Group's risk management. This Committee is composed of 3 non-executive directors of the Group, and reports directly to the Board of Directors.

7. Human resources

At the end of December 2023, the Redexis Energía Group had a total of 327 employees.

8. Own shares

Redexis did not hold any own shares at 31 December 2023, nor did it perform any transactions with own shares during 2023.

9. Financial instruments

The risk management policy is explained in Note 23 to the Consolidated Annual Accounts.

10. Average payment period

The average payment period of the group is 41 days as detailed in note 22 to the Consolidated Annual Accounts.

11. Innovation model

Innovation is one of Redexis' strategic pillars, that allow it to respond to the new challenges and opportunities posed by the energy transition, connecting sustainably with the real needs of society. Redexis has extensive knowledge of gas networks, that allows it to participate in the research and development of several solutions for the transition of networks, analysing the performance of renewable gases first hand, and identifying improvements in efficiency and digitalisation.

All of this has led Redexis to develop business opportunities associated with the energy transition, in segments of mobility, production and injection of renewable gases in the network and the development of infrastructures that make it possible to improve the energy efficiency of our customers.

To promote innovation, Redexis has a specific area of innovation that enables the transversal flow of knowledge throughout all Group activities, so that sufficient resources, knowledge and participation are available in each project for its development. Furthermore, this area is

responsible for the promotion and disclosure of all areas relating to innovation, external as well as internal.

In addition, the Innovation Committee of Redexis is in charge of preparing, tracking and implementing the Innovation strategy throughout all areas of the company, monitoring new ideas and initiatives and technological surveillance and benchmarking as well as implementing the results of the innovation and projects.

Redexis invests in R+D+i to ensure that these investments flow through all operating segments of the Group, making it possible to accelerate transformation processes with the firm objective of achieving operational excellence and developing new technologies that make it possible to guarantee the security of supply and neutralise carbon emissions, from its own activities as well as those of its customers or suppliers. These investments are addressed from three lines of action:

- Short term: focused on improvements with a direct impact on the Group's business lines, in terms of growth and sustainability, aimed at improving operating efficiency, growth and sustainability.
- Medium term: focused on capturing the value of new business models, such as hydrogen, mobility and renewable gas.
- Long term: focused on monitoring the development of new technologies and paradigms.

The strategic lines of innovation focus on:

- **Digitalisation and efficiency**, so as to be able to improve our current processes/activities and apply them to the new facilities under development.
- **Integration/hybridisation of consumer technologies**, for the purpose of integrating and adapting customer facilities to decarbonisation technologies.
- **Development and integration of renewable gases**, such as biogas and hydrogen, in current and future activities.

The following is a breakdown of the most relevant innovative projects developed in several consortia during 2023:

- ✓ The H2020 HIGGS project, Hydrogen In Gas GridS: a systematic validation approach at various admixture levels into high pressure grids, which launched in 2020 after being chosen in the European H2020 FCH JU programme and whose main objective is to cover gaps in knowledge regarding the impact that different levels of hydrogen mixture may have on the gas infrastructure, its components and its management.
- ✓ The H2020 Green Hysland project, which proposes the deployment of a hydrogen ecosystem on the island of Mallorca including the design and construction of a renewable hydrogen production plant from photovoltaic solar energy for use in mobility, stationary applications (fuel cell and cogeneration with a fuel cell in a hotel) and injection into the natural gas transmission network.
- ✓ The MISIONES OCEANH2 project, for the generation, storage and distribution of

offshore green hydrogen, financed by CDTI in the 2019 Misiones Call for Proposals, that launched in 2020. This is an industrial research project for a generation, storage and distribution plant for green hydrogen from offshore renewable power generation. In this project Redexis will study the various technologies involved in the logistic-technological chain for the transmission, storage and land and/or maritime supply that enable the evacuation and supply of hydrogen produced at sea, and will undertake the corresponding design and integration of optimal solutions.

- ✓ The MISIONES ZEPPELIN project, Research in innovative and efficient technologies for the production and storage of green hydrogen based on the circular economy, financed by CDTI in the 2021 Misiones Call for Proposals, that launched in 2021. In this project Redexis leads the study of various technologies to design a modular plan for production, storage and supply of ammonia from renewable hydrogen, and from the decomposition of ammonia to release that hydrogen.
- ✓ The PRISMA project, Proposal for the implementation of sustainable artificial intelligence to obtain a predictive model for LNG consumption, and its application for the optimisation of processes and decrease of its associated footprint, financed by the Ministry of Industry, Commerce and Tourism in the AEI (Innovative Business Groups) Call for Proposals and that proposes the development of a predictive model for consumption from LNG satellite plants that would involve improving the management of LNG plants by allowing for the detection of previously unknown variables that could affect the evolution of demand, changes in consumption curves of each facility as a result of changes in prior variables at an early stage and enabling the optimisation of the movement of LNG cryogenic tanks to fill the storage takes, with the subsequent decrease of the associated carbon footprint.
- ✓ CANDHy project: the objective of which is to analyse the compatibility of metallic materials (other than steel) in the gas distribution network in the presence of hydrogen, in order to facilitate its distribution in these networks by blending or using 100% hydrogen-dedicated systems. CANDHy is the continuation of the HIGGS project, whose purpose is to analyse the requirements to be carried out on the gas infrastructure, its components and its management for hydrogen injection in the current networks. CANDHy takes this analysis a step further, by focusing on materials to be used for their adaptation to the use of hydrogen in grids in such a way that tests will be carried out on what has been developed in HIGGS.
- ✓ SHIMMER project: the project seeks to enable greater integration of non-fossil gases and safe management of hydrogen injection in multi-gas networks while strengthening knowledge of the risks and opportunities through the following activities: Study of European gas infrastructures and their operating conditions, network integrity and safety management and flow capacity analysis using a virtual network model.
- ✓ The MODELAMEH2 project aims to study the injection of renewable gases (hydrogen and biomethane) into the natural gas network, covering the entire value chain of the process, from the production and conditioning of gas flows to their final impact on consumers, proposing the digitalisation and automation of the different stages and technologies involved in the process and using CFD models to predict flow patterns.

12. Environmental protection

As a company devoted to the development and operation of energy infrastructures in Spain, Redexis renders an important service to its customers: it places clean energy at their disposal with functional, financial and environmental advantages vis-à-vis other types of fuel.

Additionally, Redexis strives to minimise social costs with regard to environmental aspects and the negative effects that this may cause, undertaking projects that go beyond compliance with legal requirements and other environmental requirements that it voluntarily adopts, involving its suppliers and promoting the responsible use of energy.

The Group strategy maintains its commitment to the protection of the environment. It is one of its pillars and a factor of competitiveness. To be aware of the environmental impact of its operations and to develop a company culture that reduces environmental impact as much as possible is paramount for Redexis.

Redexis considers environmental excellence, energy management and efficiency, security and continuous improvement of working conditions and health protection as essential values of its business culture. This is duly reflected in its Integrated Policy approved by Senior Management.

Redexis reviews its Integrated Management System (IMS) annually to adapt it to new regulatory requirements, as well as for continuous improvement. It is currently adapted to the requirements of ISO 45001:2018 occupational health and safety management system, ISO 14001:2015 environmental management system and ISO 50001:2018 energy management system.

This process involves the implementation of the entire management system, involving greater alignment of the organisational strategy with environmental and energy management, manifesting clear leadership and involvement of Management in this area. This resulted in the establishment of the Leadership Committee on energy management, environment and safety and health.

Throughout 2023, verification of the certification of our integrated management system has been achieved, as well as the extension of certification in its scope for refuelling stations and photovoltaic installations with 0 minor non-conformities in ISO 50001:2018, 1 minor non-conformity in ISO 14001:2015 and 1 non-conformity in ISO 45001:2018 through the performance of 86 days of environmental, energy and carbon footprint verification audits, both internal and external, in order to improve processes.

Redexis maintains scorecards with environmental and energy indicators for monthly measurement and reporting that will allow it to identify improvements in its management.

At the close of 2023, Redexis has the ISO 14001: 2015, environmental management system, the ISO 50001: 2018, energy management system, and the ISO 45001: 2018, occupational health and safety management system in its scope "Development and operation of natural gas transmission and distribution facilities, piped distribution of liquefied petroleum gases, refuelling stations and photovoltaic installations". Furthermore in December 2022 Redexis recertified as a healthy company with a certification score of 90.5 out of 100.

Additionally, in December 2023 the Group recorded its carbon footprint at the the Ministry for the Ecological Transition and the Demographic Challenge (MITEC), having exceeded between July (regulated sector) and November (non-regulated sector) the greenhouse gas verification of the Company's Scopes 1, 2 and 3 with no reservations and with the declaration of a positive opinion, in compliance with ISO 14064, by an external and independent entity.

The directors of the Group consider that at year end no expenses are likely to be incurred in

connection with environmental risks for which provision should be made.

Information regarding the Group's environmental activities is presented in Note 26 to the Consolidated Annual Accounts.

13. Non-financial Reporting Statement

The Consolidated Management Report includes the Non-Financial Information Statement as Annex 1 to it and complies with the requirements of Directive 2014/95/EU on non-financial reporting and diversity, as well as associated Spanish legislation (Law 11/2018, of December 28).

4.

Redexis Energía, S.A. and subsidiaries

Independent Limited
Assurance Report on the
Consolidated Non-Financial
Information Statement for the
year ended 31 December 2023

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

INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT OF REDEXIS ENERGÍA, S.A. AND SUBSIDIARIES FOR 2023

To the Shareholders of Redexis Energía, S.A.,

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the Consolidated Non-Financial Information Statement (CNFIS) for the year ended 31 December 2023 of Redexis Energía, S.A. and subsidiaries ("the Group"), which forms part of the Consolidated Directors' Report of the Group.

The content of the CNFIS includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting, that was not the subject matter of our verification. In this regard, our work was limited solely to verification of the information identified in Appendix I "Index of contents of the Non-Financial Information Statement required by Law 11/2018" in the accompanying CNFIS.

Responsibilities of the Directors

The preparation and content of the CNFIS are the responsibility of the Board of Directors of the Redexis Energía. The CNFIS was prepared in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") described as indicated for each matter in Appendix I "Index of contents of the Non-Financial Information Statement required by Law 11/2018" of the aforementioned Report.

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

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

Our Independence and Quality Control

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

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

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

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our work in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised"), currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements regarding non-financial information statements.

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

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

- Meetings held with the Group personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external review.
- Analysis of the scope, relevance and completeness of the contents included in the 2023 CNFIS based on the materiality analysis performed by the Group and described in the 2023 CNFIS, taking into account the contents required under current Spanish corporate legislation.
- Analysis of the processes used to compile and validate the data presented in the 2023 CNFIS.

- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters described in the 2023 CNFIS.
- Verification, by means of sample-based tests, of the non-financial information relating to the contents included in the 2023 CNFIS and the appropriate compilation thereof based on the data furnished by Redexis information sources.
- Obtainment of a representation letter from the directors and management.

Conclusion

Based on the procedures performed and the evidence obtained no additional matter has come to our attention that causes us to believe that the CNFIS of the Group for the year ended 31 December 2023 was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected GRI standards, as well as other criteria described as indicated for each matter in Appendix I "Index of contents of the Non-Financial Information Statement required by Law 11/2018" of the aforementioned Statement.

Use and Distribution

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

DELOITTE, S.L.



Javier Medrano Domínguez

20 March 2024

APPENDIX 1
NON-FINANCIAL REPORTING STATEMENT

Redexis Energía

2023 Non-financial Reporting Statement

In accordance with Act 11/2018 of 28 December, 2018, which amended the Spanish Code of Commerce, the consolidated text of the Spanish Companies Act approved by Royal Legislative Decree 1 of July 2, 2010, and Act 22 of July 20, 2015, on the Auditing of Accounts with regard to non-financial reporting and diversity, this non-financial reporting statement has been prepared for inclusion as an appendix to the Consolidated Management Report for Redexis Energía, S.A. and Subsidiaries for the financial year ended 31 December 2023.

The reference used by the Company for the disclosure of this information is the Global Reporting Initiative (GRI) framework for the preparation of sustainability reports, in its GRI Standards format.

In this document, Redexis reports on matters relating to its business model, risk management and commitment to the environment, as well as providing information on its efforts in the areas of social issues, employment, human rights, combating corruption, responsible taxation, sustainable development and relationships with users and customers, all of which constitute important issues for the Company.

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3	Our commitment to the environment
3.1	Pollution
3.2	Circular economy and waste prevention and management
3.3	Sustainable use of resources
3.4	Climate change
3.5	Protection of biodiversity
4	Our commitment to people
4.1	Employment
4.2	Organisation of duties
4.3	Health and safety
4.4	Social relations
4.5	Training
4.6	Equality
5	Our commitment to ensuring respect for human rights
6	The Company's commitment to the fight against corruption and bribery
7	Our commitment to sustainable development
7.1	Impact of the activity on local communities
7.2	Relationships with local, national and international community stakeholders and dialogue approach
7.3	Redexis Foundation (Partnership and Sponsorship Actions)
8	Our supply chain
9	Our commitment to end users and customers
10	Our commitment to transparency: Tax information
11	Appendix I: List of Contents required in a Non-financial Reporting Statement under Spanish Act 11/2018

1 Our business model

Corporate environment, organisation and structure, and markets in which the Company operates. GRI 2-1 and GRI 2-6.

Redexis Energía, S.A. (hereinafter **Redexis Energía**) is the parent company of the group since its establishment on December 20, 2023. It holds 100% of the shares of Redexis, S.A.U., which until the mentioned date operated as the holding company of the Redexis group (hereinafter referred to as Redexis or the Redexis Group) and which is a full service energy infrastructure Company devoted to the development and operation of natural gas transmission and distribution networks, to the distribution and sale of liquefied petroleum gas and to the promotion of renewable applications of green hydrogen and biomethane.

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

Redexis develops and operates networks to carry the necessary energy to households, businesses and industry while ensuring maintenance of the highest safety and quality standards at all times. The Company has a robust expansion plan to continue offering energy solutions throughout Spain, and this has resulted in the investment of around Euros 1,600 million since 2010.

Redexis is currently the second largest natural gas transmission operator in Spain, the third largest distributor and the second in LPG, with a presence in 13 Autonomous Regions, 39 provinces and 929 municipalities. It has a total of 772,906 supply points throughout Spain. For the 2023 data, the reporting for municipalities and provinces includes only those where the LPG customers acquired in recent years have been integrated, whereas in previous years, figures corresponding to the acquisitions were provided.

Redexis's share capital is completely subscribed and paid up, prior to December 20, 2023, the capital belonged and was held by the following shareholders in the percentages shown below:

- **Chase Gas Investments Limited:** 33.33% (subsidiary of the USS pension fund)
- **Arbejdsmarkedets Tillaegspension:** 33.33% (ATP pension fund)
- **Guotong Romeo Holdings Limited:** 33.33% (Company owned by the Guoxin Guotong Fund LLT and CNIC Corporation Limited investment funds)

In order to give effect to the principle of separation of activities legally established for regulated activities and those dedicated to the production of gases, and in compliance with the provisions of article 63 of Hydrocarbon Law 34/1998, of 7 October, a **Corporate Reorganisation** process was carried out in 2023, which consisted of the incorporation of a newly created Company called **Redexis Energía, S.A., in order for the latter to act as the holding Company** of the business group. In addition, the shares of Redexis, S.A. were simultaneously allocated to the newly formed holding Company. Both operations were completed on 20 December 2023.

As a result of the Corporate Reorganisation, the shareholding of Redexis Energía S.A. now consists of the three partners described above in the same shareholding as they held in Redexis S.A.U., that is, each of them holding 33.34%, 33.33% and 33.33%, respectively, of the shares of the new Company, so that the shares of Redexis S.A.U. are now wholly owned by its parent Company

Redexis Energía S.A., which is therefore the sole shareholder of Redexis S.A.U., which has become a single-member Company.

Therefore, as at 31 December 2023, the Redexis Group is made up of 19 companies, as follows:

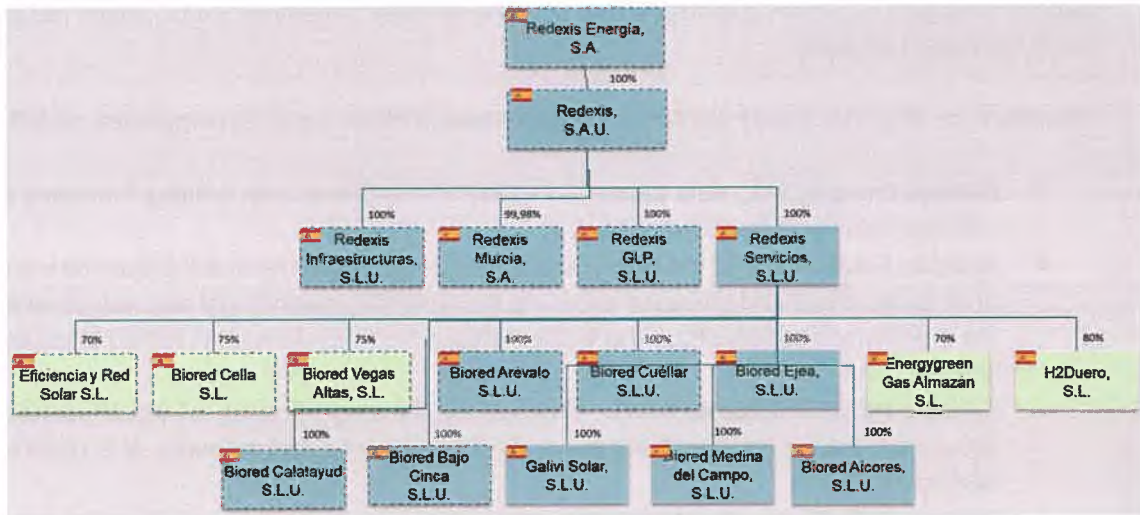
- **Redexis Energía, S.A.**, new parent Company of the Group with holding Company functions and sole shareholder of Redexis S.A.U.
- **Redexis, S.A.U.**, Head of the regulated business engaged in the distribution and transmission of all types of gas and oil-based products for domestic, commercial and industrial purposes, the use of any by-products, and activities related with the above. It is 100% owned by Redexis Energía, S.A.
- **Redexis Infraestructuras, S.L.U.** devoted to the regasification of liquefied natural gas, natural gas transmission and storage and related and ancillary activities. It is 100% owned by Redexis S.A.U.
- **Redexis GLP, S.L.U.** , devoted to the retail sale and supply of liquefied petroleum gas. It is 100% owned by Redexis S.A.U.
- **Redexis Gas Murcia, S.A.** , devoted to the distribution and secondary transmission of natural gas, and the distribution and sale of liquefied petroleum gas through pipelines. It is 99.98% owned by Redexis S.A.U.
- **Redexis Gas Servicios, S.L.U.** , devoted, among others, to the planning, analysis, project, execution, assembly and operation of infrastructures, in addition to the management, advisory, and corporate services linked to the energy sector. It is 100% owned by Redexis S.A.U.

Redexis Gas Servicios, S.L.U. holds 75% of the shares of Eficiencia y Red Solar, S.L., a Company engaged in the production, storage and commercialization of energy from renewable sources, such as photovoltaic facilities, by means of or through the corresponding installations, whether directly owned or owned by third parties.

In addition, Redexis Gas Servicios, S.L.U. holds stakes in different percentages in various companies focused on investment in assets related to renewable gases (biomethane or hydrogen). The investee companies and their corresponding percentages are as follows: (i) BIORED AREVALO, S.L.U. with 100%; (ii) BIORED BAJO CINCA, S.L.U. with 100%; (iii) BIORED EJEJA, S.L.U. with 100%; (iv) BIORED CUELLAR, S.L.U. with 100%; (v) BIORED MEDINA DEL CAMPO, S.L.U. with 100%; (vi) BIORED CALATAYUD, S.L.U. with 100%; (vii) BIORED ALCORES, S.L.U. with 100%; (viii) GALIVI SOLAR, S.L.U. with 100% by way of sale and purchase agreement; (ix) BIORED CELLA S.L. with 75%; (x) BIORED VEGAS ALTAS, S.L. with 75%; (xi) H2DUERO with 80%; (xii) Energygreen Almazan, S.L. with 70%.

In February 2024, Redexis Renovables, S.L.U., a wholly owned subsidiary of its parent company Redexis Energía S.A.U., was established as a sole proprietorship. Its purpose is to engage in the production of renewable gases within the Group. Additionally, entities that will be dedicated to renewable gas production in the future were transferred to Redexis Renovables, S.L.U.

The corporate structure is shown in the diagram below.



There are also two entities connected to the Group:

- **Redexis Gas Finance B.V**, a Company devoted to debt issuance on capital markets. It has the same shareholders, and in the same percentage as Redexis, S.A.
- The **Redexis Foundation** is an entity devoted to the promotion of technological innovation aimed at energy transition, to enhance social work and promote the development of local communications through social, cultural, informative and sports projects.

Targets and strategies

GRI 2-22

Redexis has a strategic plan aimed at boosting and developing infrastructures to speed up the energy transition in Spain, fully aligned with the Integrated National Energy and Climate Plan 2021-2030 (PNIEC) published by the Spanish Government as part of the European strategy to attain carbon neutrality by 2050. The Plan contributes to reduce our customers' emissions, improving their economic competitiveness and ensuring continuity of supply.

The plan envisages investments that will enable growth in all business segments and revolves around three fundamental axes:

- **Renewable gas transmission and distribution**, and adapting infrastructures to maximise the potential for biomethane injection into the grid, while developing green hydrogen transmission infrastructures, mainly associated with hydrogen valleys.
- **Production of renewable gases** to achieve a zero-emission, more sustainable and environmentally friendly energy source, through biomethane and green hydrogen production plants.
- **Support for the energy transition of its customers**, through the development of infrastructures, photovoltaic installations, and energy efficiency.

Sustainability (ESG) is the driving force behind Redexis' strategy, which is implemented throughout the Company and is applied using a cross-Company approach in all areas of the Group's activity. It seeks to achieve the following sustainable development objectives:

- **Reducing CO2 emissions** by 50% through the development of renewable projects, offsetting up to 400 k tonnes of CO2 and with a commitment to be NetZero by 2040.

- **Development of local and regional economies**, through local biomethane and green hydrogen production projects, which will allow the creation of more than 1,000 direct and indirect jobs.
- **Advancing social goals** through the Redexis Foundation, reducing inequalities, improving energy efficiency and assisting those most in need. There are plans to increase social spending in order to undertake new actions in the territories.
- Increasing the importance of **ESG-based objectives** and increased Corporate Governance monitoring activities.
- **Increasing the presence of women** in management and positions of responsibility.

Principal market factors and trends

During 2019, Redexis carried out a **materiality analysis** in order to develop its strategy, defining and identifying its stakeholders and the issues that were most relevant to them. This analysis made it possible to establish priorities for the actions to be taken and to define strategies aligned with the expectations of these stakeholders.

The analysis involved four phases, consisting of an internal analysis to identify best practices and material issues in the sector, an external analysis in which the existing communication channels with stakeholders were defined, an assessment of material issues in which meetings were held with all divisions, and finally, generation of the materiality matrix with a list of relevant issues.

Thanks to this exercise, Redexis has been able to move forwards with **the creation of economic, social and environmental value**, thus ensuring that the needs of its stakeholders are satisfied at all times.

The materiality matrix that was obtained as a result of this exercise indicates the issues that are most important for the Company and its stakeholders, and the top 15 are shown in the following table:

A.

Reference	The 15 most relevant internal and external issues
1	Regulatory compliance
2	Ethics, integrity and transparency
3	Risk management
4	Responsible taxation
5	Good corporate governance
7	Occupational health and safety
14	Quality of service
15	Complaint resolution system and customer satisfaction
16	Management of crises and emergencies
17	Industrial safety
20	Adaptation to climate change (external)
21	Innovation applied to the use of sustainable technologies
22	Establishment of environmental emissions objectives
23	Adaptation to climate change (internal)
25	Circular economy

Redexis aims to update the Double Materiality exercise during 2024, where the issues to be analysed will be reviewed, as well as the stakeholders, and the most relevant internal and external matters for the Company will be re-evaluated. This exercise will be carried out internally, following EFRAG's methodology, as the aim is to define the relevant matters to comply with the CSRD (Corporate Sustainability Reporting Directive), which will be presented for the first time with the Accounts for the year 2025.

With regard to questions relating to **occupational health and safety, the environment and energy management**, there is a series of factors that could affect the Company's activities, which include:

- Failure to comply with environmental, energy or health and safety criteria.
- Loss of the opportunity to obtain external financing due to non-compliant or insufficient environmental, energy or health and safety standards.
- Adverse regulations for the business.
- Loss of awareness of the fact that environmental, energy and health and safety management affect the entire Company and all of its departments in a cross-cutting way, without exception.
- Adverse environmental conditions.
- Insufficient estimate of the resources applied to monitor contractors.
- Ineffective controls that result in legal infringements that may affect Redexis's image and reputation.
- Failure to comply with the intervals at which meetings of the Health and Safety Committees and the Environmental and Energy Committees are to be held.
- Divergence from the undertakings made by heads of department and middle management.
- Inefficient operational controls that do not allow for the measurement of indicators or the evaluation of trends.

The natural gas sector is a **highly regulated sector**. As a result, changes in the applicable regulations may have a significant impact on the sector and each of the players that operate within it.



In this regard, particular mention should be made of the regulatory framework for the natural gas sector in Spain, which is based on Hydrocarbon Law 34/1998, which was in turn implemented by Royal Decrees 949/2001 and 1434/2002, among others. The first of these regulates third-party access to gas facilities and establishes an integrated financial system for the natural gas sector, while the second regulates transmission, distribution, sale and supply activities and the authorisation procedures for natural gas facilities.

Article 63 of Hydrocarbon Law 34/1998, of 7 October, establishes the principle of separation of activities between companies carrying out any regulated activities of regasification, basic storage, transmission and distribution and those carrying out deregulated activities (production or commercialization).

The principle of separation of activities seeks to avoid conflicts of interest between the owners of the infrastructures through which energy is transmitted (regulated activities), and those who produce or market this energy (liberalised activities), while the relationship between both types of activities must be governed by a neutral, transparent and objective third-party access regime established by regulation.

As Spain does not have natural gas fields with a significant capacity, practically all the natural gas consumed has historically been imported from other countries, so that natural gas production activity nationally has been unrepresentative. However, technological developments, environmental objectives at EU level (the REPower EU Plan approved by the European Commission in 2022 includes a target of 35 bcm of biomethane production in the European Union by 2030), and the fact that Spain has been recognised by the European Union as the fifth EU country with the greatest potential for biomethane production, are leading to an exponential deployment of renewable gas production projects that will make it possible to decarbonise consumption supplied from the natural gas grid, taking advantage of the autonomy and security of supply provided by the grid, and without users having to make new investments.

This is why new business opportunities are emerging in the sector, and companies interested in participating in the new production activity must adapt their structures to the aforementioned principle of separation of activities between the regulated activities of regasification, basic storage, transmission and distribution and production. With regard to regulated activities, over the years, as the sector was gradually liberalised, the aforementioned Hydrocarbon Law was amended on numerous occasions. One particularly important amendment was introduced by Royal Legislative Decree 8/2014 of 4 July, which approved urgent measures for growth, competitiveness and efficiency, and this was subsequently passed by the Government and published as Act 18/2014 of 15 October, approving urgent measures for growth, competitiveness and efficiency. This introduced certain measures to update the regulatory-economic framework, of which the following should particularly be noted:

- Reforms were introduced into the general revenue and cost structure for the gas system, based on the principle of **long-term economic sustainability and balance**, which took account of fluctuations in demand and level of development of existing infrastructure, but without adversely affecting the principle of appropriate remuneration for investment in regulated assets or the safety of supply. It therefore establishes the principle of economic and financial sustainability of the gas system, such that any legislation leading to a rise in costs or reduction in revenues must include a reduction in costs or an increase in revenues.

- Certain mechanisms were introduced to restrict any annual temporary imbalances in the settlement system, through the **automatic review of tolls** when certain thresholds are exceeded. If these thresholds are not exceeded, the imbalances are financed by the parties subject to the settlement system in proportion to their remuneration, generating receivables in the following five years, with a market interest rate set by Ministerial Order.
- With regard to the remuneration of regulated activities, the reform includes the basic principle of considering the necessary costs for an efficient and well-managed Company **to perform the activity at the lowest cost for the system**.
- Regulatory periods of six years are defined, during which the financial rate may not be reviewed, nor may formulas be applied for the automatic updating of remuneration of any of the activities. However, as the regulatory reform was proposed in a deficit scenario that is expected to be remedied in the coming years, it allows certain **remuneration parameters** to be adjusted every three years if significant variations arise in the income and expense items.
- A **standard in-depth review** of remuneration for all the activities that affect all the assets was carried out, including assets already in service.

Under Royal Decree-Law 1/2019, reforms were introduced to the framework for competition in the gas system, bringing the powers of the National Commission on Financial Markets and Competition (“CNMC”) into line with the requirements arising from EU law in relation to Directives 2009/72/EC and 2009/73/EC of the European Parliament and of the Council, of 13 July 2009, concerning common rules for the internal market in electricity and natural gas. Among these reforms, worthy of mention is the attribution of powers in favour of the CNMC regarding the establishment of methodologies for determining tolls and remuneration of the regulated activities, including the setting of their values. Therefore, since the entry into force of the aforementioned Royal Decree-Law, the CNMC has had the power to implement these measures, though as regards the establishment of new methodologies to calculate remuneration for regulated activities, these are applicable from 1 January 2021, since the first six-year regulatory period that was established in the said Act 18/2014 ended. In this regard, from 2019 onwards, the CNMC worked on the preparation of a series of Circulars that defined the methodologies for the remuneration of the regulated activities performed by Redexis in the gas sector (Transmission and Distribution), and after being approved and published in the Official Gazette of the Spanish State (“BOE”), these became applicable from January 2021.

The foregoing regulation has been developed, insofar as it directly affects Redexis, in the following Circulars:

- Circular 2/2019, of 12 November, establishing the methodology for calculation of financial remuneration rate for regulated activities related to electrical energy and natural gas
- Circular 8/2019, of 12 December, establishing the methodology and conditions for access and the allocation of capacity in the natural gas system
- Circular 9/2019, of 12 December, establishing the methodology for determining the remuneration of natural gas transmission facilities and of liquefied natural gas plants.
- Circular 2/2020, of 9 January, establishing the rules for the balancing of natural gas.
- Circular 4/2020, of 31 March, establishing the methodology for determining the remuneration of natural gas distribution.
- Circular 6/2020, of 22 July, establishing the methodology for calculating tolls for transmission via local networks and the regasification of natural gas.

- Circular 8/2020, of 2 December, of the National Commission on Markets and Competition, regarding the establishment of reference unit values for investment, operation and maintenance for the 2021-2026 regulatory period, and the minimum requirements for audits on investments and costs in natural gas transmission facilities and liquefied natural gas plants.

Due diligence procedures applied in order to identify, evaluate, prevent and attenuate significant risks and impacts and to verify controls

GRI 2-12

The Company has an **internal and external Whistleblowing Channel**

(<https://www.redexis.es/en/canal-de-denuncias>) through which complaints, allegations or claims can be made in relation to the Company's code of ethics as well as any potential non-compliance, irregularity or unlawful act observed or in which they are involved in the context of their relationship with the Company. The Company also has an internal whistleblowing channel (canaldenuncias@redexis.es) that can be used by workers to submit complaints and claims, or inform of breaches, irregularities or unlawful acts of which they are aware. Through these channels and the publication of the **GOB-02 Procedure for Reporting Alleged Irregularities**, the Company guarantees the existence of a confidential means of reporting complaints that protects the identity of the whistleblowers, as well as related persons, ensuring the diligent processing and investigation of the events that are the subject of the complaint. Likewise, after studying the complaints submitted, the Company may adopt measures derived from the complaint in order to avoid irregular situations or acts.

During the last year, five complaints have been received through this Whistleblowing Channel:

- Complaint 1/2023: relating to the improper manipulation of metering equipment, was processed and was the subject of an internal investigation process which resulted in the verification of a fault in the meter and replacement with a new one, which involved a reply to the complainant and, as a result, was duly filed. In January 2024 it was reopened due to a new whistleblower complaint regarding the same issue and this is under internal investigation for possible fraud.
- Complaint 2/2023: which reported the alleged theft of a watch during the periodic inspection of appliances at a customer's home by a contractor's worker. This was processed and was the subject of an internal investigation and formal notification to the contractor so that it could take the appropriate measures, which was answered by the complainant and therefore duly filed.
- Complaint 3/2023: regarding the information received on allegedly irregular actions carried out by an installer adhering to the Public Offer in the processing of gas supply registrations. It was also processed and subject to an internal investigation, verifying that the reported registrations were correct in accordance with the internal commercial and contractual documentation controls, which was reported to the complainant and duly filed.
- Complaint 4/2023: regarding information on the existence of illegal dwellings in a property and the possible improper manipulation of the gas facilities for the irregular supply of gas. It was processed and subject to internal investigation concluding that there was no manipulation of the gas facilities, which was reported to the whistleblower and the complaint duly filed.
- Complaint 5/2023: on the reporting of a home visit by a technician with allegedly irregular Company identification. It is being processed and is under internal investigation within the time frame foreseen.

In addition, when a new internal regulation is approved, the entire Company is notified of its approval, with an emphasis on the obligation to comply with the new regulation. All the Company's internal regulations are made available to employees via the Intranet. If they have any queries or questions regarding these regulations, employees may contact the legal services department.

In addition, since 2020 Redexis has had a **Risk Management and Control Policy** for the purposes of establishing the basic principles and general framework for managing the risks faced by Redexis. This guides and directs the set of strategic, organisational and operational actions that allow the Redexis Board of Directors to strengthen compliance with the organisation's objectives in a context of excellence and rigour aimed at ensuring safety and service in the performance of its activities.

In addition, Redexis has an **internal rule on the legal review of contracts, agreements and binding agreements** that are of a material nature in order to verify that the agreements signed by Redexis comply with the applicable regulations and legislation.

Redexis has included all of its principles and strategies in its Integrated Management System, adapting the relevant standards for environmental management **ISO 14001:2015**, health and safety **ISO 45001:2018** and energy efficiency **ISO 50001:2018**.

With regard to certification, during 2023 the relevant follow-up audits were carried out in relation to standards **ISO 14001:2015**, **ISO 45001:2018**, and **ISO 50001:2018**, and verification was obtained in all three cases.

This ensures that performance in the area of occupational health and safety and environmental management is monitored, and these issues are explained in the following general documents as part of the Integrated Management System::

- **Procedure DOC-02** "Identification, Control and Evaluation of Legal and Other Requirements": the system used by Redexis to identify and gain access to the legal and other requirements to which the organisation is subject and which apply to environmental and energy issues and occupational health and safety when carrying out its activities in the workplace, along with the subsequent monitoring and updating of these requirements.
- **Procedure DOC-03** "Competition and Awareness": this defines the methodology for identifying employee training needs, and it sets out the way in which training activities and environmental and energy awareness are to be managed.
- **Procedure DOC-05** "Monitoring and Investigating Incidents, Non-Conformity and Corrective Action": this establishes a documented procedure for identifying, registering and dealing with accidents, incidents and non-conformities and for keeping this procedure up-to-date.
- **Procedure DOC-08** "IMS Audits": this covers the way that regular audits are to be carried out, understood to mean the systematic and documented verification process for objectively obtaining and evaluating evidence showing compliance with the Integrated Management System.
- **Procedure DOC-09** "Emergency Situation at Redexis Group Facilities": this establishes the methodology and systems for acting in cases of Emergency.
- **Procedure DOC-10** "Operational Control, Preventive Planning, Measurement and Monitoring": this includes the monitoring and measurement activities required to achieve mitigation of environmental impact and the significant use and consumption of energy associated with the Company's business activities, and to maintain the health and safety of all interested parties.

- **Procedure DOC-13** “Identification and evaluation of environmental aspects”: to identify and evaluate the environmental aspects of the Company’s activities, products and services that can be monitored, and those on which the Company can have an effect, along with the associated environmental impacts, from a life-cycle perspective.
- **Procedure DOC-14** “Environmental Responsibility, Occupational Health and Safety and Energy Responsibility for Suppliers and Contractors”: this includes informing suppliers and contractors about the procedures and requirements that apply in respect of environmental and energy matters and occupational health and safety.
- **Operational Rule NOss-01** “Coordination of Business Activities”: ensures that the process required of contractors under DOC-14 is effective.
- **Procedure DOC-15** “ Identification of hazards. Evaluation and Monitoring of Occupational Risks and Serious Accidents”: defines how the requirements are to be met in respect of Occupational Health and Safety and Serious Accidents, especially the identification of hazards and the evaluation and monitoring of risk.
- **Procedure DOC-17** “Energy planning”: describes the systems established for ensuring that any energy issues arising from the activities, products and services engaged in and produced at the Company’s facilities are properly planned, and that this planning is followed up, with an analysis of any use or consumption of energy that may significantly affect its energy performance.
- **Procedure DOC-20** “GHG Quantification Manual and Report”: document for quantifying and reporting on greenhouse gases, along with all those that are generated and used in all activities, products and services relating to the various businesses and facilities that are included within the scope of Redexis’s calculation and reporting of its greenhouse gas emissions.
- **Operational Rule NOss-01** “Coordination of Business Activities”: ensures that the process required of contractors under DOC-14 is effective.
- **Operational Rule NOss-09** “Operational Monitoring of Occupational Health and Safety”: the purpose of this document is to define the different duties for which Redexis personnel are responsible in the area of construction, and to define the different monitoring tools that the Company has established for the operational monitoring of on-site health and safety when the Redexis Group is involved as developer.

In addition, Redexis continuously tracks the objectives, goals and annual preventive action plans of its regional centres, an operational monitoring process that is carried out at its various work centres using a range of operational standards relating to both safety and environmental issues; it monitors contractor companies through its “vigilance” procedures; it holds meetings to coordinate business activities, and the results are recorded in the minutes of the meetings held in the different regions; on-site internal safety and environmental inspection visits are carried out in the different regions by the Company’s health and safety and environmental monitoring coordinators; facilities and maintenance activities are monitored in relation to both distribution and transmission; the Company arranges external audits of the integrated management system, in accordance with **ISO 14001:2015, ISO 50001:2018 and ISO 45001:2018**; it verifies Greenhouse Gas Emissions by analysing its Carbon Footprint Report, in order to verify compliance with **ISO 14064-1: 2012**; audits are carried out to verify compliance with legal requirements regarding health and safety, the environment, energy management and industrial safety; frequent meetings of the energy management team are held at corporate level, with six-monthly meetings of the Regional Environment and Energy Committees and quarterly meetings of the Health and Safety Committees, among other actions.

2 Risk Management

GRI 2-12, GRI 3-3

Redexis prepares a **risk management model** which seeks to identify and evaluate risk sufficiently in advance in order to allow it to be anticipated, forecasting any effects and taking advantage of any opportunities that might be attached to the risk in question. Redexis manages this through its risk management system known as **Enterprise Risk Management (ERM)**, which coordinates activities on the basis of international standards COSO and ISO 31000. The Internal Auditing and Risk Department manages, evaluates and coordinates this risk, acting as a liaison between the individual departments, General Management and the Chair's Office, thus facilitating and overseeing the implementation of practices and measures for the management of this risk with the aim of minimizing or mitigating it. This department provides a logical and systematic model that allows decisions to be made and responses to be given efficiently in the face of any potential threats and opportunities that may arise.

By means of its **Risk Management and Control Policy**, approved by the Board of Directors in 2020, Redexis undertakes to deploy all of its skills to ensure that any important risk is properly identified, assessed, managed and monitored. The risk manual was approved in October 2021, and is where the management procedure covered by the policy is developed.

All actions taken to monitor, manage and mitigate risk adhere to the following **basic principles**:

- Integrate Redexis's decision-making and target-setting processes with its risk management.
- Optimise the management and monitoring of risk from the perspective of a global view of the organisation.
- Continually evaluate the risk mitigation mechanisms, in order to guarantee their suitability, the adoption of best market practices and the correct use of these practices.
- Separate duties in a suitable way in order to identify those responsible for the analysis, control and supervision of risk.
- Align all the specific policies that need to be developed in respect of risk within the organisation with the Risk Management Policy.
- Act within the Law and in accordance with the values set out in the Code of Conduct that applies to the organisation.
- Provide complete and transparent information on the principal risks at Redexis and the mechanisms for the management of that risk to any body or regulator that may require it, maintaining suitable channels to assist communication.
- Preserve the health and safety of the people who work at and for Redexis and guarantee respect for the environment.

The Risk Management System includes the appropriate definition of duties and responsibilities and the way in which they are to be allocated during the various **process stages and activities**, and these mainly include:

- Identifying the relevant risks in strategy and planning, financing, ethics and compliance, reporting and operations and infrastructure, among others, taking account of its potential effects on key management objectives and the development of the Company's business.
- Carrying out an analysis of these risks as a key element in their management.

- Establishing a structure of controls and limits that assist in ensuring that any risk is managed in an efficient way.
- Implementing and monitoring compliance with policies and guidelines using suitable procedures and systems, including the contingency plans necessary to mitigate any impact caused by the materialization of risk.
- Evaluating and monitoring risk using common and uniform procedures and standards.
- Reporting the results of monitoring and managing risk, regularly and in a transparent way.
- Continuously assessing the suitability of the system and best practices and recommendations relating to risk issues with a view to their potential incorporation in the model.

In this regard, the **risk management system** comprises three stages:

Firstly, an **assessment** stage, in which risk is identified and evaluated. This includes the definition, classification and measurement of its impact and probability, based on criteria approved by the Company.

Secondly, a **management** stage, in which strategies are defined for responding to the risk in question, and the agreed control instruments are monitored.

Thirdly, a **follow-up** stage, in which regular reports are made on the events occurred. During this stage, the control instruments are modified according to the results obtained, and action plans are adjusted.

The Company has a **risk management manual**, along with a **risk committee**, the aim of which is to facilitate better monitoring and, in the event that a risk materialises, provide a priority response. There are also regular reporting sessions between the different business and corporate departments and the risk department which guarantee the monitoring of risk. The ultimate aim is to achieve continuous improvement in order to prevent, anticipate or mitigate any potential risk and take advantage of any opportunities that may arise.

As regards the sector to which Redexis belongs, the Company has to face a range of risks that are inherent in the sector and the marketplace in which it operates. The main **risks relating to sustainability that are associated with the sector and marketplace in which Redexis operates**, for which plans and models are created on an annual basis, are the following:

- **Risks relating to people (management):** Risks arising from the management of individual talent, including measures to reinforce employee commitment to the Company and its values.
- **Cybersecurity risk:** Associated with external or internal factors that may affect systems as the result of attacks.
- **Risk of loss of biodiversity and water resources. Environmental or personal risk:** This involves a set of risks arising from the performance of the organisation's day-to-day operations, and given their nature they are managed in order to guarantee the safety of persons, safeguard assets and protect water resources and the environment.
- **Reputational Risk:** This includes risks associated with external and internal factors that may have a negative impact on brand image. Redexis is aware of the growing demands from society for greater active and voluntary contribution to the achievement of social, economic and environmental improvements by companies. In this regard, Redexis is committed to including these considerations in its decision-making processes in a transparent way, with the aim of establishing best practices that will contribute to the improvement of society.

- **Risk relating to ethics and integrity:** This includes both external and internal factors that could result in a lack of ethics or integrity. Redexis believes that it is essential to ensure compliance with its code of ethics and the Company's own values, and it engages in annual actions to mitigate any lack of ethics or integrity.
- **Risks related to climate change:** Risks arising both from energy transition and from the potential warming of the globe that could lead to rises in average temperature. Based on this study, Redexis carries out analyses of innovations and projects directed towards alternative energies.
- **Risk due to environmental catastrophe and external climate phenomena:** Risk arising from possible external factors that may affect the Company's continuity. In this case, Redexis draws up a continuity plan and has established protocols for action in the event that such factors materialise.
- **Risks related to compliance with good Corporate Governance:** Risks arising from the internal action framework in accordance with the Company's Code of Ethics, among which the structure and independence of the Audit Committee, the composition of the Board of Directors, the supervision of ESG objectives by the Board of Directors, the structure and independence of the Remuneration and Compensation Committee are all relevant matters, as well as the regulation of possible conflicts of interest, shareholders' rights, management of delegation of powers, independence of the Board of Directors, prevention of market abuse activities, relations with public bodies and administrations, and prevention of money laundering, terrorism, bribery and corruption.

All of these risks, together with the action plans and activities engaged in to contain them, are submitted **regularly** to the **Audit and Risk Committee**, whose main duties are:

- Evaluating and reviewing Risk Management policies and practices.
- Overseeing the efficacy of risk control and management systems.
- Reviewing the Company's ability to identify any new risks that may appear.
- Ensuring that the Board receives regular information and reports on risk control.
- Monitoring the effectiveness of the Redexis Risk Management System.
- Ensuring that both internal and external regulatory and legal requirements are met.

During 2023, the **main projects** carried out by the risk department have been as follows:

- **Company-wide training** on risks to promote the continuous identification of risks and the alignment of employees' risk appetite with that of Redexis in all areas and positions.
- Definition of the **Third Party Risk Management Policy**, for the management of risks associated with the value chain (reputational, sustainability, solvency, etc.) which is expected to be approved during 2024.
- Analysis of critical suppliers for the updating and standardising of the new supplier policy.
- Continuation of the continuity plan (Phase II) reinforcing the areas with the highest exposure detected in the continuity plan carried out during 2022.
- Creation of a GRC for the documentation of system risks in order to comply with ISO 27001.

During 2024, third party risk analyses are expected to continue in order to identify the most exposed suppliers. Dedicated monitoring of the risks of new business related to renewable gases will also be carried out.

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

- The Annual Corporate Governance Report for the 2023 financial year.
- The Consolidated Management Report for the 2023 financial year.
- The Risk Management and Control Policy.

3 Our commitment to the environment

GRI 3-3

One of Redexis's main commitments is caring for the environment, mitigating the effects of climate change and making advances towards energy transition. In this regard, the Company is firmly committed to respect for the environment and the pursuit of a sustainable economy, and it works daily to achieve a society in which sustainability takes precedence, in accordance with the 2030 Agenda Sustainable Development Goals (SDGs).

Mitigating the effects of climate change and the importance of ecological transition are fundamentally important for Redexis, whose goal is to achieve a **sustainable society and economy**. With this aim in mind, it has integrated the Agenda 2030 **Sustainable Development Goals (SDGs)** as part of its strategy.

This commitment to the environment is formally set out in its **Integrated Policy**, which highlights the importance of environmental excellence, management and energy efficiency. For this reason, Redexis has decided to engage in all of its corporate activities in a way that respects the environment, and it is committed to energy efficiency, given the scarcity of natural and non-renewable resources. In order to face up to the challenge of safety in the areas of jobs, energy and the environment, Redexis has intensified the necessary support and established the procedures required to guarantee and minimize risk, protect workers, make rational use of resources and reduce waste, thus contributing to the sustainable development demanded by society and to the achievement of its guidelines and goals.

The general guidelines and goals that inform Redexis's actions are explained in its **Integrated Security, Environmental and Energy Policy**. This Policy is monitored and reviewed periodically to ensure its continued suitability, the latest review having taken place in February 2023. All of the organisation's employees and other interested parties (suppliers, collaborating companies, temporary personnel, etc.) are made aware of the Integrated Policy through the communications channels provided for in the Integrated Management System.

Environmental Excellence is a fundamental value in Redexis's Policy, and its management is based on the following keystones:

- Environmental monitoring in the areas in which Redexis is active, with particular focus on construction sites and the maintenance of facilities and infrastructure.
- Planning and executing activities in an organised, rational and error-free way, reducing any impact on the environment.
- Improving the management of any waste generated, applying suitable measures for the reduction, recovery and recycling of waste and ensuring that any that is not recoverable is properly disposed of.

- Supplying the information and resources necessary in order to establish and review the targets and goals that will guarantee environmental and energy management.
- Reducing consumption of natural resources through the use of recycled and/or recyclable products, promoting the saving of energy.
- Informing employees and making them aware of the importance of the correct management of energy and the impact of their activities on the organisation's energy performance.
- Complying with the environmental requirements set out in the Company's environmental licenses, declarations and authorisations.
- The Company has Environmental Emergency Plans in place, and it carries out an annual emergency drill in each Autonomous Region.

The procedures approved by Redexis that allow it to carry out the **continuous monitoring of its environmental evaluation and certification** include the following:

- **Procedure DOC-10** "Operational Control, Preventive Planning, Measurement and Monitoring": this includes the monitoring and measurement activities required to achieve mitigation of environmental impact and the meaningful use and consumption of energy associated with the Company's business activities, and to maintain the health and safety of all interested parties.
- **Procedure DOC-13** "Identification and evaluation of environmental aspects": to identify and evaluate the environmental aspects of the Company's activities, products and services that can be monitored, and those on which the Company can have an effect, along with the associated environmental impacts, from a life-cycle perspective.
- **Procedure DOC-08** "IMS Audits": this covers the way that regular audits are to be carried out, understood to mean the systematic and documented verification process for objectively obtaining and evaluating evidence showing compliance with the Integrated Management System.
- **Procedure DOC-14** "Environmental Responsibility, Occupational Health and Safety and Energy Responsibility for Suppliers and Contractors": this includes informing suppliers and contractors about the procedures and requirements that apply in respect of environmental and energy matters and occupational health and safety.

Throughout the course of 2023, the Company set the following goals **regarding the environment and energy saving:**

1. Reducing our Carbon Footprint by 2.5% (Kg CO₂ emitted / pipeline Km) as compared with 2020.
2. Reduce the consumption of electrical energy in the positions: CCMM-00, MAEJE-01, ZACA-05, SANSON-02.1 and BOEMEDI-05 (MEDARE Output), by 2% during the third quarter of 2023 compared to the average of the last four years.
3. Reduce the ratio of self-consumption (kWh/MWh emitted) of natural gas at positions CCMM-00, MAEJE-01, ZACA-05, SANSON-02.1 and BOEMEDI-05 (MEDARE Output) by 2% during the third quarter of 2023 compared to the average of the last four years.
4. Reduce electricity consumption at the LNG Plant in Illueca by 15% during the fourth quarter of 2023 compared with average energy consumption for the last four years.
5. Reducing the natural gas self-consumption ratio (kWh/MWh emitted) at the LNG Plant in Illueca by 15% during the fourth quarter of 2023 compared with the average for the last four years.
6. Increase MA inspection visits to construction sites and O&M by 5% compared to 2022.
7. Reduction of 2% in electricity consumption in the Madrid, Murcia and Granada offices compared to the baseline, with usage measures.

In order to achieve its proposed objectives, Redexis has introduced a series of strategies through its Energy Management, Environment and Occupational Health and Safety (“GEMASST”) department and has made environmental management, energy management and the idea of sustainable development an integral part of the Company’s strategy. One of its main concerns is to offer transparency and to inform and raise awareness among all stakeholders through the use of documented environmental and energy criteria during the Company’s planning and decision-making processes.

Redexis identifies and evaluates the environmental aspects that could be important in relation to the activities that it engages in, attempting to minimise their impact. In this regard, it takes care to make reasonable use of resources and raw materials, taking action to try and minimise the generation of residue, emissions and waste and controlling and preventing the generation of pollution as a result of its activities through the application of programmes for continuous improvement and the establishment of environmental and energy targets and goals, ensuring that the Group’s facilities and activities are increasingly respectful to the environment and thus helping to preserve the natural environment in which its facilities are located, with the adoption of measures to protect species of flora and fauna and their habitats.

Energy saving and the rational and balanced use of the various energy sources are key aspects of Redexis’s strategy, and the Company is committed to encouraging the development of cleaner and more efficient energy technologies among its employees and society in general with the aim of minimising the carbon footprint that it generates.

Redexis strives continuously to improve processes, systems and skills that will guarantee greater quality and security in the performance of its activities and in the products and services that it offers, and it regularly and objectively reports on its performance in relation to environmental and

social issues.

It also devotes itself mainly to the construction and maintenance of networks for the transmission and distribution of natural gas, regarded as the cleanest, most sustainable and most efficient conventional energy source and the one that is most respectful to the environment.

Natural gas plays an essential role in the Spanish energy matrix and the drive to reduce emissions, covering consumer needs while at the same time caring for the environment. **Natural gas is an efficient energy source that is low in emissions**, and it is highly competitive both for ordinary households and for business and industry. Natural gas improves the quality of the air while at the same time supporting market penetration by renewable energies. It helps industry remain competitive by offering the most economic prices and guaranteeing security of supply.

Natural gas is an economic, reliable, convenient and ecological energy source. The following are some of the notable advantages offered by natural gas:

- It improves both local and global air quality, as it does not emit particles and has a very low NO_x and SO_x content.
- It provides support for market penetration by renewable energies in the electricity sector.
- It favours industrial competitiveness.
- It guarantees the security of supply at both a domestic and a commercial or industrial level.

Electricity generating plants that run on natural gas and cogeneration plants for the production of electricity and thermal energy can be connected directly to natural gas distribution networks, in order to provide consumers with cleaner and more versatile energy.

In the current and future renewable energy scenarios, existing natural gas infrastructure and technology like Redexis's transmission and distribution networks will become an important strategic element in the process for an ordered energy transition, complying with targets for the reduction of CO₂ emissions without compromising the safety of supply.

The **Environmental Emergency Plan** has been kept up-to-date at all Redexis facilities at all times, and its Internal Emergency Plans and Self-Protection Plans have been reviewed and updated, with continuous analysis and monitoring of its previously defined health and safety, environmental and energy management indicators. For more information on the number of actions in these areas and their annual evolution, the data can be found in section 4.3 below.

Since 2017, Redexis has recorded its Scope 1 and 2 Carbon Footprint annually in the **National Carbon Footprint Register kept by the Spanish Ministry for Ecological Transition (MITECO)**, for which it has obtained a "Calculation" stamp for its natural gas transmission and distribution activities. The Company decided to change the reference year to 2018 due to the modification of the methodology selected for the estimation of diffuse emissions associated with the distribution networks so that LPG is included in the calculation of the carbon footprint, having been previously excluded. In 2023 it was not possible for the Ministry to assess whether there had been a downward trend in our emissions ratio, because the organisation's scope had changed over the four years analysed (2018 to 2023), and in 2020 there was a change in the methodology used to estimate diffuse emissions from the distribution network (methodology changed by SEDIGAS). In view of this, in order to opt for the "Calculation + Reduction" stamp we need to demonstrate a reduction in four comparable years from 2020, so this reduction may take effect in 2024, once the audit verifying the footprint for 2023 has been carried out, since the scope, methodology and

characteristics of the companies from which the Group is formed became comparable from 2020 onwards.

In addition to the collection of Carbon Footprint data, the Group collects data on tonnes of construction and demolition waste management in a unified way using Scorecards. These data are included in section 3.2 below.

For the prevention of environmental risk, Redexis has both internal and external human resources and an **IT tool for energy management**, and it allocates amounts in its budget for the prevention of environmental risk.

In June 2023, it successfully completed (0 minor non-conformities) an audit of its **energy efficiency management system**, which led to the awarding of the **ISO 50001:2018** certification for its activities relating development and operation of natural gas transmission and distribution facilities, piped distribution of liquefied petroleum gases, refuelling stations and photovoltaic installations.

Strengths were also highlighted in the ISO 50001: 2018 audit report, such as an exhaustive study of the organisation's context and the needs and expectations of stakeholders, the annual update of the energy review, the general improvement of the baselines and their capacity to predict consumption, energy efficiency improvement objectives supported by the Improvement Plans, the good approach of all areas towards efficient energy management, the establishing of operating criteria, the incorporation of new technologies for updating facilities, the maintenance of facilities and their monitoring from the Control Centre, the regulation and/or shutdown of equipment to optimise energy efficiency, excellent monitoring of the energy performance of facilities and other assets against the baseline, as well as of energy performance indicators. The high degree of achievement of the improvement objectives planned for 2022 was also highlighted.

The Company seeks at all times to maintain the quality of its Senior Management's leadership through meetings of the **GEMASST Leadership Committee**, with the aim of reinforcing its leadership undertaking on the issues defined in its Integrated Management System in relation to Health and Safety, the Environment and Energy Management.

The excellence of its management of environmental and health and safety issues is demonstrated by Redexis's commitment to make continuous improvements each year in its Integrated Management System of Energy, the Environment and Health and Safety, supported by reports and certificates recording external audits carried out on the basis of the following standards: **ISO 50001 on Energy Management, ISO 14001 on Environmental Management and ISO 45001 on Occupational Health and Safety**. The system covers the monitoring of energy consumption (electricity, gas, fuels) and the application of measures to reduce consumption.

In 2023, the relevant follow-up audits were carried out in relation to standards **ISO 14001:2015, ISO 45001:2018, and ISO 50001:2018**, and verification was obtained in all three cases. Implementation of the measures arising from Royal Decree-Law 840/2015 continued at SEVESO Plants, and audits at these plants were successfully completed without any major non-conformities.

Redexis is aware that the protection of nature and the natural environment must be taken into account in any business activity, since future generations will depend on it, and it therefore contributes in this way to sustainable development. In this respect, **courses on Energy Efficiency in**

the Office and Waste Management in the Office, and Environmental Awareness Training: Environmental Emergency Plan have been made available to staff. Since 2021 there has been a new course titled **Regulation 05 Management of Atmospheric Emissions**, which underlines the importance that the Company attributes to matters involving training and awareness on both energy-related and environmental issues, with regular meetings of the energy management team at corporate level, six-monthly meetings of the Regional Environment and Energy Committees, quarterly meetings of the Health and Safety Committees and six-monthly meetings of the Interterritorial Safety Committees. All of this has led to an increase in communications at the Integrated Management System level, focusing mainly on environmental and energy-related aspects, and there is also a training course on the Integrated Management System available to staff.

3.1 Pollution

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

With the aim of reducing current emissions, an **Emissions Reduction Plan** has been prepared which includes a number of measures implemented during the course of 2023::

- Increase the level of implementation of vacuum pumps in the work to bring new networks into operation.
- Sending the boil-off to the distribution line in several pilots.
- Pilot for installation of hidden flame burner for boil-off venting at two LNG plants
- Changes of open reboilers at the Illueca LNG Plant to reduce the of self-consumption ratio (kWh/MWh emitted) of natural gas by up to 15%
- Shutdown of primary-secondary boilers during the third quarter of the year and replacement of open reboilers at positions CCMM-00, MAEJE-01, ZACA-05, SANSON-02.1 and BOEMEDI-05 (MEDARE output) to reduce the ratio of self-consumption (kWh/MWh emitted) of natural gas by 2%

The introduction of these measures in line with the Emissions Reduction Plan allowed the Company to control and reduce its emissions during 2023, thus reducing its Carbon Footprint and allowing its registration with the Ministry for Ecological Transition (MITECO). This has meant that, as will be set out in more detail below, the Company's estimated Carbon Footprint for 2023 (pending confirmation of the final figures) will be 37,702 tCO₂, with Scope 1 emissions at 37,702 tCO₂ and Scope 2 at 0 tCO₂.

3.2 Circular economy and waste prevention and management

GRI 306-2

The concept of circular economy is extremely important for Redexis, which seeks to create efficient production models that protect resources and reduce impact on the environment.

Through its Integrated Management System, and specifically through its **"Waste Management" Operational Regulation**, Redexis establishes a system that ensures that the Company correctly controls and manages the waste produced as the result of its activities, products, services and facilities. In this way it optimises its management of hazardous and non-hazardous waste,

establishing targets for the reduction of environmental indicators and thus contributing to the development of the transition towards a circular economy.

In order to achieve this and comply with the contents of its Waste Management Operational Regulation, a series of measures was taken during the course of 2023:

- **Prevention of pollution due to waste:** waste must be sent for recycling or evaluation when there is a possibility of it being managed in this way, and its destruction is avoided whenever possible.
- **Separation of waste:** the unit generating the waste is responsible for separating it out by type, based on its ELW code, and correctly depositing it in the appropriately marked containers so that it can subsequently be deposited at the collection points designated to this end. All personnel, both internal and external, are responsible for depositing the different types of waste in their respective container.
 - Hazardous waste is deposited in hygienic and secure conditions in the areas designated to this end.
 - In the case of hazardous waste that is not generated by office activities but is owned by Redexis, this is moved to the closest “Hazardous Waste Store”, and the necessary measures are taken to prevent any damage to the receptacles and packaging used. At these stores, it will be classified and catalogued as waste, separated out according to type and temporarily deposited in secure conditions until it is collected by an authorised waste manager.
 - Each contractor is responsible for the waste generated by its own activities.
- **Storage of waste:** each waste-producing centre (offices and warehouse, where applicable) has specific areas for the storage of waste and suitable regulatory containers for each of the types of waste that they generate.
- **Labelling of waste:** all containers are properly labelled in a clear, legible and identifiable way (in at least the national language). The label is attached to one or more sides of the package, in such a way that it can be read horizontally when the package is positioned in the established way.
- **Waste management:** non-hazardous and hazardous waste is handled by authorised waste managers and carriers.
- **Following up and measuring waste:** the management of waste is followed up and measured each week to ensure its correct separation and ultimate handover to the authorised waste manager. Authorised waste managers prepare a monthly report on the amount of waste managed.

The indicators for non-hazardous waste management in offices for 2023 and 2022 are presented in the table below. Based on these indicators, we calculated the ratio of kg generated per employee, whose evolution over the period is -35% in 2023 compared to 2022, with a large drop in confidential paper waste of almost 50%.

Non-hazardous waste management in offices	Total 2023 (kg)	Total 2022 (kg)	Ratio kg / employee 2023	Ratio kg / employee 2022	Change
Cardboard	1,612.0	2,032.3	4.74	6.00	-21%
Confidential Paper Documents	2,635.0	5,076.2	7.75	14.99	-48%
Plastic	1,244.2	1,298.7	3.66	3.83	-5%
TOTAL	5,491.2	8,407.2	16.15	24.82	-35%

The management of food waste in offices only applies to the offices in which food waste may be generated. There are waste containers in all Redexis offices and these are managed via an authorised waste manager.

In addition to office waste, Redexis manages construction and demolition waste on site. This waste is generated by the contractor when carrying out the relevant works, but Redexis includes it within its framework and control system. In addition, and within the programme of sustainability objectives established by the Company, there is a waste reduction objective that incorporates waste as a fundamental part of the waste generated within the Company's value chain.

During 2023, the number of linear metres of work has decreased with respect to 2022, which has led to a decrease in the total waste generated by contractors. However, and due to Redexis' focus on waste management through its channels, the ratio of kilos generated per linear metre of work has remained below our established target and even below 2022 figure, decreasing by 24% with respect to the previous year.

Non-hazardous waste management - on site	Total 2023 (kg)	Total 2022 (kg)	Ratio kg / LM work site 2023	Ratio kg / LM work site 2022	Change
Concrete/Bituminous mixtures	2,157,991.0	8,960,836.0	31.79	58.95	-46%
Excavation soil	2,148,286.0	4,327,423.0	31.65	28.47	11%
Rubble	4,070,813.0	11,314,597.0	59.98	74.44	-19%
Plant debris	3,240.0	0.0	0.05	0.00	n.a.
Metals	6,184.2	360.0	0.09	0.00	3747%
TOTAL	8,386,514.2	24,603,216.0	123.56	161.86	-24%

3.3 Sustainable use of resources

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

As far as water consumption is concerned, there is responsible **water consumption** at all our facilities. Proof of this is the saving in water consumption achieved each year, mainly thanks to the environmental awareness campaigns that are launched regularly by the Company.

Non-energy consumption - Facilities	Total 2023 (m3)	Total 2022 (m3)	Ratio m3 / facility 2023	Ratio m3 / facility 2022
Water	374.5	980.0	0.10	0.30
THT	4,870.0	4,500.0	1.26	1.39

Redexis network elements such as LNG Plants, LPG Plants, LPG or LNG Tanks (above and underground), overhead or underground regulation and/or metering positions and stations are considered as facilities in the calculation.

Apart from the consumption in the facilities, water is also consumed in the offices, as well as in the environmental awareness campaigns launched in this case for the Company's own employees.

Non-energy consumption - offices	Total 2023 (m3)	Total 2022 (m3)	Ratio m3 / employee 2023	Ratio m3 / employee 2022
Water	95.0	66.5	0.28	0.20

Redexis continuously monitors **energy consumption**, and in this way it is able to implement energy efficiency measures.

Energy consumption	Unit	Total 2023 E	Total 2022	Change
Total energy	kWh consumed	17,660,930	16,577,541	7%
metres Dx, Tx and LPGx network	m	12,131,658	12,058,482	1%
Ratio Total energy	kWh / m	1.46	1.37	6%
Broken down by facility				
Positions Tx	kWh consumed	12,289,424	11,230,501	9%
LPG Plants	kWh consumed	1,718,129	1,801,881	-5%
LNG Plants	kWh consumed	2,048,313	2,202,057	-7%
Vehicles	kWh consumed	1,178,256	904,959	30%
Offices	kWh consumed	426,808	438,143	-3%

Energy consumption is analysed by type of facility, compared year on year. Data for 2023 are estimated. This estimate has been calculated with the actual data available for 2023 (January to August) plus the estimate for the last few months (September to December) on a historical basis.

The following are some of the notable measures implemented in order to achieve energy savings:

	Measures adopted in 2023
Offices	Reduction of electricity consumption in the offices in Madrid, Murcia and Granada compared to the baseline, with measures for electricity use.
Positions	Shutdown of primary-secondary boilers during the third quarter of the year at positions CCMM-00, MAEJE-01, ZACA-05, SANSON-02.1 and BOEMEDI-05 (MEDARE output) to reduce the consumption of electrical energy, as well as the ratio of self-consumption.
LNG Plant	Replacement of open reheaters at the Illueca LNG Plant.

3.4 Climate change

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

Climate change is one of the greatest challenges that we face as a society and the mitigation of its effects forms a key part of Redexis's strategy.

Following the UN's approval of the Paris Agreement in 2015, sustainability has become a fundamental principle for alleviating its effects. This agreement finally brought 197 nations together for the first time under a common cause: to combine their efforts in order to combat climate change and support developing countries so that they can adapt to the changes required. The agreement seeks to achieve a global accord that will provide a coordinated and organised response to the challenges of climate change, with the aim of limiting the increase in global

temperatures to below 2 degrees as compared with pre-industrial levels.

At this year's COP28 in Dubai, a historic agreement was reached on the transition away from fossil fuels. More than 100 countries have agreed to a fair and orderly transition to a zero-emission world by 2050, scaling up existing commitments and responding in a spirit of partnership to push it forward. Agreements like this reinforce the need for an inclusive and effective transformation to a decarbonised world, in which both governments and business have a key role to play.

The European Union, which is a key player in this area, signed the Green Deal with the aim of making Europe the first continent to become climate neutral by 2050, with emphasis on the reduction of emissions and the development of technology and innovation.

Redexis believes that climate change is a global environmental challenge that requires everyone to make some contribution to mitigating its effects. CO2 emissions, for example, are one of the factors that most affect global warming. For this reason, the Company works constantly to reduce its own emissions by making significant investment to update its infrastructure and optimise its business activities, thus improving its energy efficiency.

Aware of the impact that its activities have on the environment, and with the aim of establishing effective and efficient emission reduction policies, Redexis calculates the greenhouse gas emissions resulting from its transmission, distribution and storage of natural gas and LPG in Spain. Annually, the Company makes its report for the purposes of calculating the carbon footprint from its activity and informing all of its stakeholders about the organisation's emissions in a transparent way.

The main objectives pursued in carrying out this initiative are as follows:

- Ascertaining and evaluating the organisation's Greenhouse Gas emissions (GHGs) in order to identify opportunities for reducing its carbon footprint.
- Improving our position in relation to society in general and maintaining a responsible commitment to continuous improvement.
- Recording the Company's carbon footprint in the National Carbon Footprint Register kept by the Spanish Ministry for Ecological Transition (MITECO).

For the calculation of emissions and the publication of the report, Redexis has developed **tools to measure and control greenhouse emissions**, mainly focused on the calculation of the carbon footprint in its scope 1 and 2. Through these tools and since 2017, Redexis has submitted its carbon footprint information annually to the Spanish Ministry of Ecological Transition, which led it to obtain the "Calculation" stamp for its natural gas and LPG transmission, distribution and storage activities. Redexis is working to obtain the "Calculation + Reduction" stamp through the annual submission of this information to the Ministry, however, due to changes in the calculation methodology by SEDIGAS and changes in the scope of calculation (to include LPG) this will not be possible until 2024 (when the 2023 data will be submitted) once four comparable years have been submitted.

In addition, in 2022, Redexis went a step further in the measurement and control of its Carbon Footprint calculation, incorporating the calculation of Scope 3 in its tools and measurements, a calculation that it will maintain from now on and which it has repeated in 2023 with the 2022 data.

With the aim of reducing current emissions, an **Emissions Reduction Plan** has been prepared which includes a number of measures carried out during the course of 2023:

- Replacement of the open boilers at LNG plants.

- Shutting down of the boilers at transmission positions.
- Increase in the level of implementation of vacuum pumps in the work to bring new networks into operation.
- Sending boil-off on distribution line in several pilots.

The measures to reduce the carbon footprint are the planned energy consumption reduction actions contained in the action plan for the ISO 50001 energy management system introduced at Redexis.

The implementation of the various reduction measures during these years has led to a 0.8% reduction in emissions based on network kilometres in 2022 vs. 2021, while compared to the base year 2020 the reduction is 7.02%.

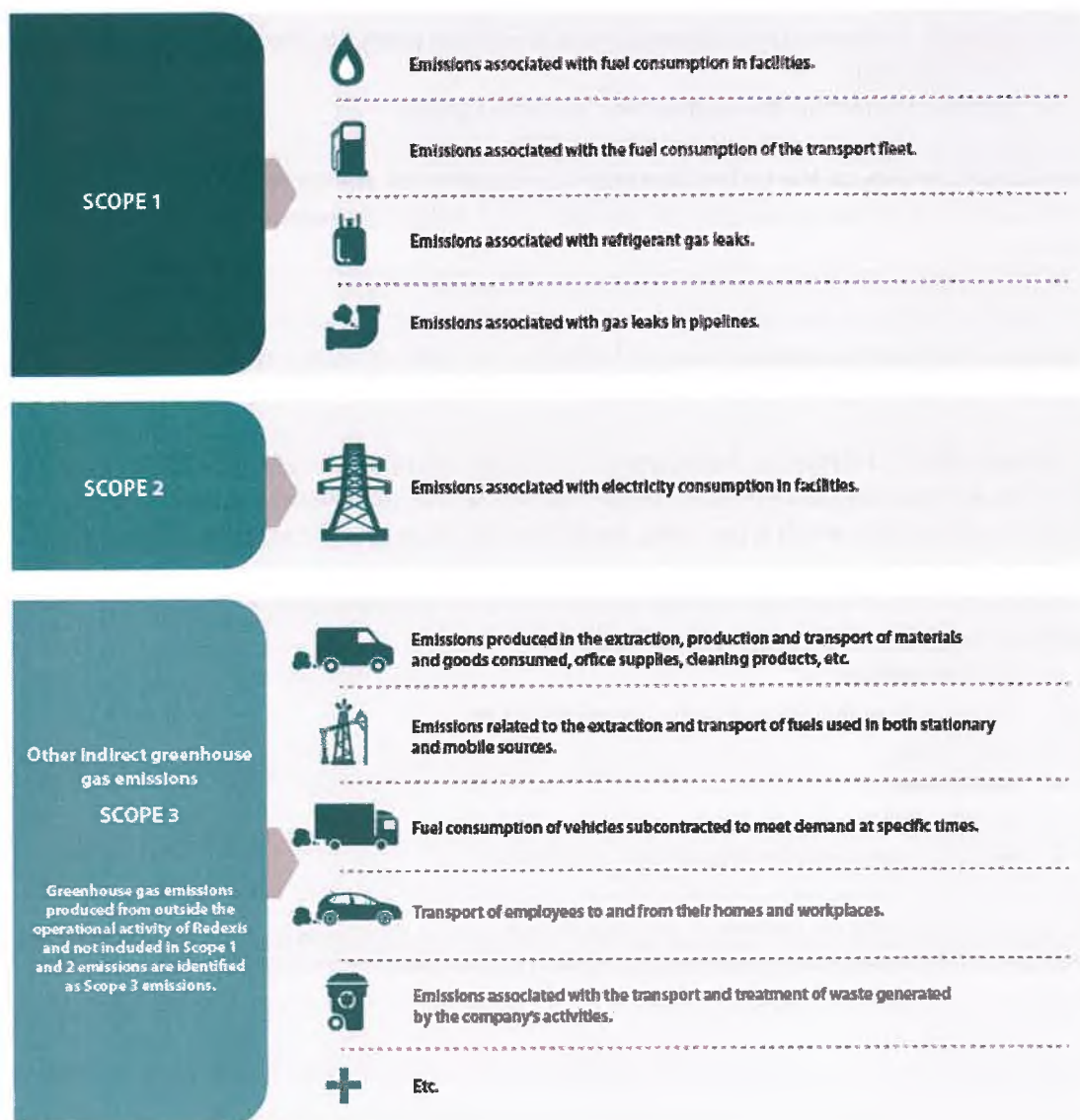
The quantification of GHGs has been carried out under the operational control approach. Therefore, the aspects monitored are those over which the organisation has decision-making power, i.e. those over which it can make decisions with respect to its operational policies.

The **physical limits of the study for the quantification of greenhouse gas emissions** at Redexis are contained within the following types of facilities:

- Redexis Offices
- Transmission facilities, also known as positions
- LNG Plants
- LPG Plants
- Vehicle fleets
- Networks (associated with diffuse emissions)

The **operational limits** on emissions and their classification according to the ISO:14064 GHG emissions quantification and reporting standard are described in the graph below.

A.



Carbon Footprint Indicators

The calculation of the carbon footprint by source and scope is reflected in the table below, with actual data for 2022 and an estimate for 2023. The ratio of emissions per km of total network is also calculated for both years (actual 2022 and estimated 2023).

Carbon footprint Source	Type of source	Estimate 2023 (t CO2 eq)			Actual 2022 (t CO2 eq)		
		Scope 1	Scope 2	TOTAL 2023E	Scope 1	Scope 2	TOTAL 2022
Offices	fixed inst.	0	0	0	1	10	11
LNG Plants	fixed inst.	417	0	417	383	18	402
LPG Plants	fixed inst.	446	0	446	377	12	389
Positions Tx	fixed inst.	2,885	0	2,885	2,085	3	2,088
Vehicle fleet	vehicles	210	0	210	213	0	213
Diffuse emissions	diffuse	33,744	0	33,744	33,732	0	33,732
TOTAL		37,702	0	37,702	36,791	43	36,834

Ratio (t CO2 eq / km)	2023E	2022	Change
Scope 1	3.11	3.05	2%
Scope 2	0.00	0.00	-100%
Scope 1 + 2	3.11	3.05	2%

Data for 2022 have been audited in accordance with Standard UNE-EN ISO 14064-1: 2012 Greenhouse gases, and the Carbon Footprint has been recorded at the Ministry for Ecological Transition. Data for 2023 are estimated, as we will not have the real data until April 2024.

The methodology used to calculate this figure is explained in the 2022 Carbon Footprint calculation report and verified by audit, in accordance with Standard EN ISO 14064-1: 2012 Greenhouse gases. The 2023 estimates are prepared on the basis of this methodology, taking account real data available for the year, and then making a calculation by replicating data from months expected to have similar climate conditions to months for which data are available from 2023. The definitive information for the calculation of the Carbon Footprint 2023 will be available in April 2024.

During 2022, Redexis generated a total of 142.8 thousand tonnes of CO2 associated with Scope 3, of which: i) 1,051 tonnes of CO2 correspond to Category 3 (Transmission), ii) 16,406 tonnes of CO2 correspond to Category 4 (Products used); and iii) 125,342 tonnes of CO2 correspond to Category 5.

Carbon footprint	Actual 2022 (t CO2 eq)
Category 3 - Transport	1,051.0
Upstream transport	717.6
Commuting	268.0
Business travel	65.4
Category 4 - Products used	16,406.0
Materials	4.6
Water	0.2
Waste	4.0
Goods and services	16,397.2
Category 5 - Product use	125,342.2
LPG sold	125,080.2
Diffuse customer networks	262.0
TOTAL	142,799.3

For Scope 3, no estimate is made for the year 2023 and therefore the data presented corresponds to the actual data for the year 2022. This is due to the difficulty of showing estimated data that reflect the real context of Scope 3.

The total emissions generated in 2022 by Redexis were 179,634 tonnes of CO2 equivalent, distributed among categories as follows:

A.

Carbon footprint	Actual 2022 (t CO2 eq)	Distribution
Category 1	36,791	20.5%
Category 2	43	0.0%
Category 3	1,051.0	0.6%
Category 4	16,406.0	9.1%
Category 5	125,342.2	69.8%
TOTAL	179,633.6	100.0%

Methodology and calculation uncertainty

The criteria established in **DOC.20, “Manual for Quantifying and Reporting GHGs”**, in our integrated management system were applied, and the calculation tool used was developed by an external consultant on the basis of experience gained in the field of Carbon Footprint Calculation.

The methodology used to obtain activity data for each emission source is as follows:

- **Electricity consumption:** Data for electricity consumption is obtained from the invoices received from the electricity distribution companies. Invoices are compiled by an external service that uploads them to an online platform, from which the person responsible for making this calculation transfers consumption data to the carbon footprint calculation tool.
- **Natural Gas consumption:** Data for Natural Gas consumption is obtained by reading the NG meters owned by REDEXIS.
- **LPG consumption:** Data for LPG consumption is obtained by reading the LPG meters owned by REDEXIS.
- **Consumption of fuel by the fleet:** Data on activities associated with the use of vehicles will be compiled from the information provided by the payment systems of the different fuel suppliers.
- **Diffuse emissions of methane:** the activity data used for the quantification of emissions from operational activities and gas permeability in pipelines will be collected using two different methodologies: i) for diffuse emissions from distribution networks with a MOP > 16 bar, as well as for transmission networks, the calculation and data collection is based on the guidelines of the linear method established by SEDIGAS in the report “Methodology for the quantification of methane emissions in gas distribution systems” published in September 2019; ii) while for diffuse emissions from distribution networks with a MOP <= 16, the event-based method of the latest version of the same methodology is used, where the amount of emissions produced is estimated according to the events produced by integrating field data to determine methane emissions according to different event typologies (“Methodology for the quantification of methane emissions in gas distribution systems” dated 2 March 2022).
- **Fluoride leaks from climate control and cooling equipment:** The activity data for refrigerant gas leaks will be obtained from the maintenance reports for the air conditioning and cooling equipment, which record the amounts of gas required to recharge this equipment.
- **Distance travelled by suppliers for gas offloading at plants:** the activity data used will be the kilometres reported directly by the gas offloading service providers at the destination plants.
- **Consumption of materials in offices:** the activity data is obtained from the quantity of consumable materials purchased for the study period provided by the supplier. Three types of consumables are analysed: coffee capsule consumption, toner consumption and paper consumption.

- **Water consumption:** Data for water consumption is obtained from the invoices received from the supply companies.
- **Waste:** The amount of waste generated is obtained from the waste removal identification documents for each of the territories.
- **Business travel:** Activity data will be obtained from travel agency reports of kilometres travelled by type of transport.
- **Commuting:** Activity data will be obtained from employee mobility surveys. This survey will be conducted every two years and the data will be extrapolated to the total workforce as at 31 December of the study period.
- **Emissions caused by the use of the product:** The activity data will be derived from the data on the total quantity of LPG sold.
- **Emissions from the purchase of goods and services:** The data is obtained from the CapEx and OpEx records where the Company's total expenditure and investments are recorded.

The estimated uncertainties in emissions are based on **combining the uncertainties** in emission factors with the uncertainties in the corresponding activity data. The emission factors used to prepare the organisation's GHG Inventory are extracted from official sources and are specific for each source category. The selection of these emission factors is intended to reduce uncertainty as far as possible. As part of this methodology, the values collected in the GWPs from the fourth IPCC report are used as a reference, based on the notification made to the Inventory Unit at the General Sub-department for Air Quality and the Industrial Environment.

The level of uncertainty in the consumption and activity values recorded by Redexis is considered to be low. The uncertainty levels in the emission factors provided by the CNMC and the Spanish Ministry for Ecological Transition are also low, but uncertainty in the factors used to calculate diffuse emissions is considered high, given that they are based on average empirical values developed using a reduced sample. The total level of uncertainty in the Carbon Footprint calculation is therefore considered to be intermediate.

3.5 Protection of biodiversity

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

Redexis is firmly committed to **the conservation of natural capital and biodiversity**. The management of its activities takes careful account of the integrated treatment of the impacts caused, and the Company maintains a preventive approach towards the generation of such impacts, correcting any that may arise.

Based on the principle of caution, Redexis carries out **environmental studies** while designing its infrastructure and facilities, with the aim of minimizing any potential negative impacts during their useful life. If the facility in question is close to protected zones or areas classified as being of high value in terms of their biodiversity, Redexis carries out specific studies for the purposes of adapting the project and thus avoiding, reducing or offsetting any impact on these areas. In addition, it creates an **oversight program** for both the building works phase and the operational phase, with the aim of applying any preventive and corrective measures that may be necessary in relation to issues such as waste management, the monitoring of machinery and vehicles on site, communications with environmental organisations and compliance with established environmental specifications, among others.

The construction of a gas pipeline passes through the following phases:

- Monitoring of the environmental obligations set out in the Environmental Impact Statement
- Environmental Oversight Program
- Waste management
- Archaeological monitoring
- Restoration and improvement of the natural landscape

After construction is complete, a series of standard measures is followed to reforest the affected area. The **environmental oversight engaged in by Redexis** in the areas identified, with a view to preventing any potential deterioration in the environment, includes action to monitor any impact and follow up the efficacy of the preventive and corrective measures established in the Environmental Impact Assessment procedure, together with certain important factors such as the proper management of hazardous and non-hazardous waste, the comprehensive monitoring of machinery, etc. This oversight will continue for the amount of time set out in the Environmental Impact Assessment, until confirmation is obtained from the relevant bodies that it may end because the necessary results regarding the environment's restoration and replanting have been obtained.

As an example of the Company's archaeological monitoring, in 2021 a group of Roman mosaics dating from the end of the 3rd and beginning of the 4th centuries CE was uncovered as the result of work to lay a gas pipeline in the historic centre of Mérida. This discovery was examined by the Consortium's Works Monitoring Team, to which Redexis expressed its firm commitment to the city's archaeological heritage.

The ancient findings were catalogued, documented and covered over once again for their own protection. As regards the pipe-laying work, once the Consortium had completed its examination, the course of the pipeline was changed as necessary in order to protect the pieces. This meant displacing the original route by a few metres in order to continue digging the required channel.

4 Our commitment to people

4.1 Employment

GRI 3-3, GRI 2-7, GRI 401-1, 405-1, 405-2

For Redexis, success is achieved through the efforts of its workforce, and it is fundamentally important to attract and retain people who share the Company's values and are committed to its sustainable development.

Redexis has a **Code of Ethics and Conduct** which reflects its commitment to all the principles of corporate ethics and transparency, thereby establishing a series of behavioural procedures and guidelines that are ultimately aimed at ensuring the responsible and ethical behaviour of all the individuals who form part of the Company. This Code also summarises and defines the values and good practices that must govern corporate conduct and the actions of all the professionals who are both directly and indirectly connected with Redexis, during the performance of the Company's activities.

Additionally, the Company has also signed a **Collective Agreement** with the UGT union which governs labour relations between the Company and all of the workers who belong to the Redexis workforce.

In addition, as a sign of Redexis's commitment to equal treatment and the fight to combat inequality, the Company has created an **Equality Plan**, the main purpose of which is to ensure a real and objective equality of opportunity between men and women at all levels of the Company, promoting a development model that is committed to equality and encouraging a business culture that is based on equal treatment.

Redexis strives for **equal opportunities and the promotion of diversity**, which has led to the development of objective and impartial selection and hiring processes that focus exclusively on criteria based on merit and personal ability, and the promotion of **stable permanent contracts** whenever possible. Redexis also provides all of its employees with an internal **Job Posting** tool through which they can consult and apply for any available vacancies, thus ensuring internal mobility and professional development for all of the people who make up the Company.

It also promotes the engagement of people from under-represented groups and supports an internship program to allow young people to gain access to the jobs market.

The creation of employment and the attraction of talent is an important objective for Redexis, which seeks to achieve excellence in its activities by creating long-term value. At the close of 2023, Redexis had 327 direct employees working throughout the territory of Spain.

Workforce at the end of 2023, broken down by age, gender and occupational category

The headcount at year-end 2023 is 327 FTEs, compared to 357 FTEs reported at year-end 2022.

Headcount at year end	2023		
	M	F	TOTAL
Professional group / age			
Steering Committee	8	3	11
< 30 years of age	0	0	0
30 - 40 years of age	0	0	0
41 - 50 years of age	4	2	6
> 50 years of age	4	1	5
Executives and managers	94	25	119
< 30 years of age	0	0	0
30 - 40 years of age	7	6	13
41 - 50 years of age	56	12	68
> 50 years of age	31	7	38
Technical and support staff	117	69	186
< 30 years of age	6	6	12
30 - 40 years of age	18	16	34
41 - 50 years of age	42	25	67
> 50 years of age	51	22	73
Other categories	8	3	11
< 30 years of age	2	0	2
30 - 40 years of age	2	0	2
41 - 50 years of age	2	0	2
> 50 years of age	2	3	5
TOTAL	227	100	327

A.

Other categories includes the occupational category of sales and telephone assistance personnel.

Total number and distribution by type of contract:

When this total number of FTEs is broken down by type of contract, it can be seen that at Redexis almost 100% of the people hired are on permanent contracts.

Headcount at year end		2023		
By contract type	M	F	TOTAL	
Permanent	226	100	326	
Temporary	1	0	1	
TOTAL	227	100	327	

Average total and distribution by type of contract, gender, category and age:

The average number of people working at Redexis in 2023 was 340 FTEs, compared to 337 in 2022.

Average headcount for the year		2023						
Contract type	Permanent			Temporary			TOTAL	
	M	F	T	M	F	T		
Professional group / age								
Steering Committee	8	3	11	0	0	0	11	
< 30 years of age	0	0	0	0	0	0	0	
30 - 40 years of age	0	0	0	0	0	0	0	
41 - 50 years of age	3	2	5	0	0	0	5	
> 50 years of age	5	1	6	0	0	0	6	
Executives and managers	95	26	121	0	0	0	121	
< 30 years of age	0	0	0	0	0	0	0	
30 - 40 years of age	7	7	14	0	0	0	14	
41 - 50 years of age	58	12	70	0	0	0	70	
> 50 years of age	30	7	37	0	0	0	37	
Technical and support staff	120	69	188	2	0	2	191	
< 30 years of age	6	6	12	0	0	0	12	
30 - 40 years of age	19	16	35	0	0	0	35	
41 - 50 years of age	43	25	68	1	0	1	69	
> 50 years of age	52	22	74	1	0	1	75	
Other categories	12	5	17	0	0	0	17	
< 30 years of age	2	0	2	0	0	0	2	
30 - 40 years of age	2	1	3	0	0	0	3	
41 - 50 years of age	5	1	6	0	0	0	6	
> 50 years of age	3	3	7	0	0	0	7	
TOTAL	235	103	338	2	0	2	340	

A.

Average headcount for the year		2022						
Contract type	Permanent			Temporary				
Professional group / age	M	F	T	M	F	T	TOTAL	
ComDir	8	3	11	0	0	0	11	
< 30 years	0	0	0	0	0	0	0	
30 - 40 years	0	0	0	0	0	0	0	
41 - 50 years	3	2	5	0	0	0	5	
> 50 years	5	1	6	0	0	0	6	
Executives and managers	96	25	121	0	0	0	121	
< 30 years	0	0	0	0	0	0	0	
30 - 40 years	10	11	21	0	0	0	21	
41 - 50 years	64	10	74	0	0	0	74	
> 50 years	22	4	26	0	0	0	26	
Technicians and Support staff	123	66	189	3	0	3	192	
< 30 years	2	4	6	0	0	0	6	
30 - 40 years	28	18	46	0	0	0	46	
41 - 50 years	46	26	72	2	0	2	74	
> 50 years	47	18	65	1	0	1	66	
Otras Categorys	8	5	13	0	0	0	13	
< 30 years	0	0	0	0	0	0	0	
30 - 40 years	2	1	3	0	0	0	3	
41 - 50 years	4	2	6	0	0	0	6	
> 50 years	2	2	4	0	0	0	4	
TOTAL	235	99	334	3	0	3	337	

Other categories includes the occupational categories of sales and telephone assistance personnel.

Number of terminations of employment contracts at the Company's initiative at the end of 2023, broken down by age, gender and occupational category

The number of Company-initiated contract terminations at the end of 2023 was six, compared to four in 2022.

8.

Contract terminations		2023		
Professional group / age	M	F	TOTAL	
Steering Committee	0	0	0	
< 30 years of age	0	0	0	
30 - 40 years of age	0	0	0	
41 - 50 years of age	0	0	0	
> 50 years of age	0	0	0	
Executives and managers	0	0	0	
< 30 years of age	0	0	0	
30 - 40 years of age	0	0	0	
41 - 50 years of age	0	0	0	
> 50 years of age	0	0	0	
Technical and support staff	2	0	2	
< 30 years of age	0	0	0	
30 - 40 years of age	1	0	1	
41 - 50 years of age	0	0	0	
> 50 years of age	1	0	1	
Other categories	4	0	4	
< 30 years of age	0	0	0	
30 - 40 years of age	0	0	0	
41 - 50 years of age	3	0	3	
> 50 years of age	1	0	1	
TOTAL	6	0	6	

Other categories includes the occupational categories of sales and telephone assistance personnel.

Average remuneration, broken down by age, gender and occupational category

To calculate average remuneration, the concept of Other categories includes the occupational categories of sales and telephone assistance personnel. This does not include data relating to the directors on the Steering Committee, but rather the other occupational categories. Similarly, variable pay is included in the calculations with a 100% compliance forecast, which does not reflect the actual pay received.

Average remuneration		2023		
Professional group / age	M	F	TOTAL	
Executives and managers	73,150	67,496	71,962	
< 30 years of age	0	0	0	
30 - 40 years of age	62,973	57,743	60,559	
41 - 50 years of age	72,392	71,265	72,193	
> 50 years of age	76,816	69,396	75,449	
Technical and support staff	45,918	37,446	42,775	
< 30 years of age	33,750	33,522	33,636	
30 - 40 years of age	36,991	34,304	35,726	
41 - 50 years of age	41,363	38,217	40,189	
> 50 years of age	54,252	39,925	49,934	
Other categories	17,901	17,461	17,781	
< 30 years of age	16,581	0	16,581	
30 - 40 years of age	17,901	0	17,901	
41 - 50 years of age	19,221	0	19,221	
> 50 years of age	17,901	17,461	17,637	
TOTAL	56,583	44,573	52,896	

Average remuneration		2022	
Professional group / age	M	F	TOTAL
Executives and managers	73,430	66,791	71,906
< 30 years	0	0	0
30 - 40 years	61,956	66,879	64,535
41 - 50 years	74,474	63,396	72,701
> 50 years	75,764	74,743	75,568
Technicians and Support staff	44,888	36,150	41,845
< 30 years	29,886	25,540	27,471
30 - 40 years	37,310	33,217	35,519
41 - 50 years	41,511	39,168	40,709
> 50 years	53,557	38,158	49,481
Otras Categorys	16,698	16,784	16,724
< 30 years	16,098	0	16,098
30 - 40 years	17,698	16,098	17,298
41 - 50 years	16,784	17,698	17,058
> 50 years	16,098	16,098	16,098
TOTAL	54,149	43,030	50,775

Pay gap and minimum salary set out in the collective agreement

To calculate the pay gap, a job evaluation methodology has been used, which has allowed for a comparative analysis of positions of equal value, concluding that the main differences are mainly explained by factors such as seniority, the origin of the Company itself with the presence of different groups under the framework of different collective agreements, and the lower presence of women in certain positions of a technical, business-specific nature.

To understand the results and the lower presence of women in the Company, factors such as the industrial nature of the Company's activity, low turnover rates, the origin of some groups with a historical predominance of the male gender, as well as the conditions of the agreements of origin, among others, must be taken into account.

Wage differences are calculated using the following formula:

$$Wage\ Difference = \frac{Remuneration\ of\ men - Remuneration\ of\ women}{Remuneration\ of\ men}$$

The result is expressed as a percentage and should be interpreted as follows:

- A result of >0% means that women are paid less than men.
- A result of =0% means that women are paid the same as men.
- A result of <0% means that women are paid more than men.

Pay gap	2023
Senior Management	n.a.
Management	-12.6%
Supervisors	-11.4%
Professionals	11.4%
Specialists	-8.3%

The annual gross fixed salary and the theoretical annual variable bonus of workers as of 31 December 2023 have been considered for the calculations.

The Senior Management level consists of the paid members of the Board of Directors. This data is blank because it was occupied only by men during 2023.

On the other hand, the minimum wage established in the collective bargaining agreements in place at Redexis is around 10% higher than the national minimum wage in Spain in 2023 (which was Euros 1,080).

Remuneration received by managers and directors

This information is regarding paid members of the Board of Directors and the Directors of the Steering Committee.

Remuneration Managers and Directors	2023
Male	309,976
Female	174,322
TOTAL	276,063

Total number of new hires and personnel turnover rate for the period covered by the report, broken down by age, gender and region

During 2023 there were 19 hires, while in 2022 there were 48.

Hires	2023		
	M	F	TOTAL
< 30 years of age	3	2	5
30 - 40 years of age	1	4	5
41 - 50 years of age	3	3	6
> 50 years of age	1	2	3
TOTAL	8	11	19

Redexis calculates turnover on an annual basis. This turnover is calculated as departures during the year over the total number of FTEs at year end and in 2023 the total number is 14.4%, which is within the Company's desired ratios.

Turnover	2023		
	M	F	TOTAL
< 30 years of age	12.5%	16.7%	14.3%
30 - 40 years of age	18.5%	27.3%	22.4%
41 - 50 years of age	13.5%	20.5%	15.4%
> 50 years of age	11.5%	5.9%	9.9%
TOTAL	13.3%	16.8%	14.4%
Voluntary			9.2%

This turnover is calculated on the basis of total departures by gender, which in 2023 amounted to 47, of which voluntary departures amounted to 30 in 2023, resulting in a voluntary (or unwanted) turnover of 9.2%.

Total departures by gender	2023
Male	30
Female	17
TOTAL	47

Employees with disability

Redexis signed an agreement with the Company Ilunion Retail y Comercialización S.A.U., which is certified as a Special Employment Centre and which is active in the business of supplying office and stationery supplies and consumables, printing and graphic artwork, and corporate, institutional, advertising, and promotional gifts. Moreover, it also signed an agreement with the Company INTEGRA, which is certified as a Special Employment Centre and which provides reception services at the Company's offices in Madrid, Zaragoza, Palma de Mallorca, Murcia and Ávila. As a result of these agreements, Redexis has been awarded a certificate of exceptionality, and the Company complies with the alternative measures set out in Royal Legislative Decree 1/2013 of 29 November, which approved the Revised Text of the General Act on the rights of people with disabilities and their social inclusion.

Apart from this, the number of Redexis employees with disabilities remains at one, the same as in 2022.

Employees with disabilities	2023
TOTAL	1
Average	1

4.2 Organisation of duties

GRI 3-3, 403-2.

Redexis's commitment to its employees is reflected in its payment policy, through which everyone who works for the Company enjoys a variable payment system that is linked to the achievement of Company, departmental and individual targets. Other benefits and advantages are also included:

- **Flexible remuneration.** Redexis offers everyone on the workforce the possibility of gaining access to a series of products in accordance with each person's individual needs, in such a way that they can optimise their remuneration and increase their disposable income. During 2023 more than 300 employees of the workforce enjoyed some benefit from this program, which offers the possibility of taking up five products: Health insurance, Restaurant, Transport, Training and Childcare.
- **Life and accident insurance.** From the moment that they join the Company, each person is covered by a life and accident insurance policy.
- **Pension plans.** Any Company employee who wishes to do so may sign up to a pension plan that is regarded as a socially responsible investment.
- **Health insurance.** The Company subsidises a percentage of the worker's premium as a Company benefit.

- **Assistance with childcare and childbirth.** The Company offers a payment of Euros 60 a month for 12 months following childbirth, and a childcare payment in the same amount.
- **Redexis discount club.** All workers have access to a series of discounts on different articles and products, such as cinema and theatre tickets, trips, hotels, sport, fashion, etc.
- **Urban Sports Club.** Any worker who wishes to can subscribe to a wide range of sports and wellness activities. Available options range from completely free of charge to discounts of 50%.
- **BH Wellness Program.** Anyone may gain access to this service, which is aimed at promoting physical and emotional well-being and is completely free of charge.

Redexis, which is committed to flexibility and work-life balance for everyone who is part of the Company, signed the **3rd Company Collective Agreement** with the UGT trade union federation in June 2022, which improves working conditions in a number of ways:

- **A reduction in the annual number of working hours** as compared with the previous Collective Agreement.
- **Flexible working hours**, with workers arriving between 8 and 9.30 am and leaving from 5.15 pm onwards. The minimum time that can be taken for lunch was also reduced to 45 minutes from 2022.
- **Uninterrupted working on Friday**, with a flexible start time and the possibility of leaving from 3 pm onwards.
- **Uninterrupted working days during the summer period, which was increased to three months, from 15 June to 15 September, upon completion of the term of the 2nd Collective Agreement.**
- **24 and 31 December**, non-working days.
- **Working days before public holidays** (5 January, 23 and 30 December and Easter week) are worked in a single, uninterrupted 7 hour session.
- **Increased holiday allowance**, which has been extended to 26 business days.
- **Remote working**

Following the publication of Royal Decree-Law 8/2019 of 8 March, **Redexis guarantees the daily recording of the hours worked** by all its employees, thus combating job insecurity and providing measures for social protection.

Hours lost to absenteeism:

During 2023, the number of hours of absenteeism amounted to 9,754 hours.

Hours lost to absenteeism	2023
TOTAL	9,754

4.3 Health and safety

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

Redexis goes beyond mere compliance with the applicable legislation in force and promotes the **continuous improvement of working conditions and the management of safety, health and well-being**. Redexis seeks to involve its suppliers, service providers, end users and other stakeholders with an interest in its activities, with the aim of acting with maximum safety.

With regard to matters relating to **occupational health and safety**, the Company set a series of targets for 2023:

- To meet the following joint accident rate figures for employees and contractors:
 - Combined Frequency Rate (CFR) ≤ 1.52 . $CFR = \text{No. Accidents} / \text{No. hours worked} * 1000000$
 - Days Lost due to Sick Leave (SLD) ≤ 8
 - No. of accidents with or without sick leave lower than 7.
- OHS, MA and GE Management Tool in two stages.
- Achieve 100% of near misses of high potential severity with lessons learned implemented.
- Carry out one psychosocial awareness campaign to provide resources in situations of emotional impact to workers who deal with customers and users.
- Specific SEVESO training for 80% of the prevention teams that have SEVESO plants in their territories.
- Increase business activity coordination meetings at work sites by 10% compared to 2022.
- Increase OSH inspection visits to work sites by 5% compared to 2022.

In addition to these objectives, **in 2023 the entire Company workforce has 5% of its variable linked to Occupational Health and Safety indicators**, with the corporate target as follows:

- Improvement in the four safety rates combined (own staff and contractor staff), with average achievement assessed as a % of the four safety rates. In this case, the rates to be evaluated are: i) Combined Frequency Rate ≤ 1.52 , ii) Severity Rate ≤ 0.012 , iii) Average duration of sick leave ≤ 8 days, iv) Number of accidents with or without sick leave ≤ 6 .

In order to achieve its proposed objectives, Redexis has implemented a series of strategies that have been implemented by the GEMASST department, in which emphasis is placed on stimulating leadership and promoting sensitivity and awareness in respect of occupational health and safety issues. **Throughout 2023, Redexis encouraged well-being and a healthy lifestyle, monitoring and caring for the health of its workforce at all times.**

At all of its workplaces and facilities, the Company permanently monitors compliance with all applicable legal obligations and other requirements that the organisation observes in matters relating to health and safety, the environment and energy.

It ensures at all times that its workers receive training in occupational health and safety to a level deemed sufficient and appropriate for the proper performance of their working duties, identifying

and monitoring risk and removing any hazards that may be detected, with adoption of the appropriate measures. Redexis continuously ensures that workers receive general information in this regard via their representatives, along with direct information on the specific risks that may affect their individual workstations or duties, and it also provides details of any applicable preventive measures that may be required in order to mitigate the risks in question. Workers are consulted at all times, and their involvement is sought, through their Company representatives, in matters that may affect their health and safety.

In June 2022, the Company approved the **Remote Working Regulations**, which can be found in Appendix 5 of the collective agreement. This applies to all of the people who work for Redexis and who, under supervision from the Human Resources Department, meet the conditions and requirements set out in the Remote Working Regulations and are subject to the Redexis collective bargaining agreement. From that date onwards it became possible to **sign a remote working agreement** that has been agreed between the worker and their direct line manager. This remote working agreement is then subsequently validated by the Human Resources Department. Two options are available for employees who regularly engage in remote working: remote working two days a week, and remote working every afternoon and one morning a week during the non-continuous working days of the winter, which becomes two days a week during the uninterrupted working days of the summer.

The appraisal of the risks of remote working has been carried out by means of a **remote working self-assessment questionnaire** issued by the External Prevention Service.

Since 2022, Redexis has put a particular emphasis on digital disconnection, introducing a series of measures, such as the need to respect rest periods and holidays, not calling meetings or sending emails outside working hours, the rational use of digital tools, etc. In 2022, the Company prepared the **Redexis Group Digital Disconnection Regulations** (included in Appendix 6 of the collective agreement), which regulates the way in which digital disconnection rights can be exercised, along with staff training and awareness activities about the reasonable use of technological tools with a view to preventing IT overload.

The Company acts at all times, both at a corporate level and vis-à-vis its employees, in accordance with the prevention criteria set out in the legal and regulatory framework and in Redexis's own Integrated Management System, monitoring compliance with all applicable legal requirements. This System is regularly reviewed, and measures are continually adopted to improve its efficacy. These criteria form an integral part of the management of prevention at all levels within the Organisation, without exception.

The **Integrated Management System Course** is still offered for new employees at the Redexis Campus, thus ensuring that they are provided with information on how issues such as occupational health and safety, the environment and energy are managed at the Company.

A **Report on the ergonomic study of job positions** is prepared for all office workers and sales and control centre personnel at all Company workplaces. A Training Course on Ergonomics is offered for the job positions analysed in the report. Training is offered to all workers on the **Prevention of Musculoskeletal Injuries and Disorders** in Redexis Office Jobs. Information is provided on the results and the preventive measures to be introduced as a result of the report on the ergonomic study of job positions at Redexis. Training workshops are offered on warming up, stretching and cervical exercise routines. Preventive measures are introduced at an ergonomic level, as reflected

in the ergonomics report.

A new **psychosocial risk assessment** was carried out (F-PSICO assessment method. Psychosocial Factors Version 3.1, INSHT) in February 2022, providing information to workers on preventive measures. The efficacy of the actions taken as the result of the studies and appraisals carried out in previous years was examined. This assessment is valid for 2023 as assessments are carried out every five years.

The **Working Group on Psychosocial Issues and Wellness** continued its work. The Group includes 2 Prevention Officers, 2 members of the HR Department, the head of the Prevention Service and the Director of GEMASST. This Working Group prepared an Action Plan of Psychosocial and Wellness Measures for June 2022 to June 2024, taking into account the results of the risk assessment so that it includes all the actions that the Working Group believes should be undertaken in order to tackle the risks identified in the most recent Psychosocial Risk Assessment. The monitoring of the preventive plan is led by the Head of the Prevention Service, with individual action from each of the areas involved.

The Company still offers its **“Time Management and Efficient Organisation of Working Duties” training course at the Redexis Campus.**

In the week beginning 24 April 2023, the Company celebrated Safety Week, in honour of the World Day for Occupational Safety and Health. Over the course of the week it promoted initiatives relating to the health and well-being of its workers. In 2023 the **week** was called **Switched ON Week** (*Semana Modo ON*) and focused on five aspects: activation, relaxation, nutrition, action and food. Face-to-face sessions on all these topics were held in Madrid and Zaragoza and online for the rest of the offices, and a bike blender was installed in these two offices so that employees could make their own smoothies while cycling.

The **Redexis Healthy** initiative, which began back in April 2020, continued during 2023 with the launch of the **“Redexis Healthy Well-being program**. The Company also maintained its Employee Support Program, with the aim of caring for the emotional and personal well-being of the Company’s employees through the offer of the following forms of intervention:

- **Psychological help for employees:** confidential psychological help for all of the organisation’s employees, offered free of charge.
- **Coaching sessions** for employees who request them. These sessions allow people to develop their skills in a personalised way that is suited to their own personal or professional challenges, with help from an individual coach. They can work on areas such as public speaking, enhancing social skills or improving time management. Sessions are held either by video conferencing or telephone.
- **Well-being Programmes:** All employees can take advantage of individual training free of charge which they can make use of in order to tackle their own personal challenges or goals. Sessions proposed during 2020 were: reconciliation of work and family life, time management, resolving problems, combating stress, emotional management of uncertainty and healthy relationships in the workplace.
- **Well-being portal:** This is a portal that is exclusively available to Redexis employees and that contains information and resources to assist in caring for their individual well-being. This portal is updated each week with articles, videos, advice, books, recommendations from specialists and news items that have been checked and prepared by professionals.
- **Urban Sport Club:** This is a new corporate benefit for all corporate employees where access to Urban’s associated centres is offered at a reduced rate (50% discount on M, L and XL rates

and the S rate totally free), with access to more than 50 different activities in sports centres, outdoor training facilities and online classes.

Redexis works continually in the pursuit of objectives designed to reduce the risks and hazards that may arise in the working environment, offering recommendations and alternatives aimed at ensuring the safety of its employees. The GEMASST Department monitors the number of days without accidents, compiling this information via the different Health and Safety Committees, with the **aim of reducing accidents to zero**. It also has a technological tool for the registration, monitoring and analysis of healthcare, which is provided via the “Mi salud” (My health) app made available by the Quirón external prevention service.

Each of the Company’s workplaces keeps a register showing the names and responsibilities of the members of the **Emergency Teams** and their training in administering first aid. First aid training for the emergency teams at the Madrid, Zaragoza and Palma de Mallorca offices was updated in 2023. Annual drills that included both environmental and occupational health and safety scenarios were carried out at the SEVESO Plants, with a view to ensuring worker safety at all times. Courses on the **“Management of Emergencies”** continued to be updated for newly appointed members of the Emergency Teams, and during 2023 the prevention teams contracted by Redexis were given training on **the implications of the SEVESO regulations and emergency plans** put in place at our facilities.

As a Company that cares about occupational health and safety, Redexis is also concerned about the well-being of its employees when they are away from their place of work, and for this reason it published its **Updated Mobility Plan** in December 2022. In January 2022, the Company launched its road safety campaign: 12 pieces of advice, 12 months, and it created a new Mobility Space on the Company Intranet with useful advice relating to workers’ mobility, advice on road safety and information relating to the location of its offices (public transport services, bicycle lanes, etc.). Training Courses to improve driving skills were offered, with practical sessions round the circuit at the ILUNION facility, while our Industrial Accident Mutual Insurance Company, La Fraternidad, gave road safety workshops using immersive virtual reality. The **Mobility and Road Safety Committee** continued to hold meetings.

The Company successfully passed an Audit of its **Healthy Workplace Certification** in December 2022. We obtained a score of 90.5% out of 100%, 0.7% up on our 2020 result (89.8%). This audit is biannual, but all actions to be included in the Healthy Excellence roadmap have been maintained for the December 2024 audit.

Meetings of the **Leadership Committee** of GEMASST were held with the aim of reinforcing the leadership shown by Senior Management and its commitment to issues relating to occupational health and safety and the environment.

1,505 occupational health and safety inspection visits were made to on-site works, with a further 444 visits to the Company’s facilities. An increase of 66% in safety inspection visits (unit visit/linear metre) at work sites compared with 2022. A decrease of -19% has been detected in safety inspection visits to facilities, so an improvement of this indicator for 2024 will be included in the objectives of the IMS. In 2023, eight office emergency plans were carried out compared to one in 2022.

In 2023, Redexis continue to make progress with its commitment to occupational health and safety, obtaining recertification for its **Occupational Health and Safety Management System** under ISO 45001:2018. In this regard, the certification awarded to Redexis by **British Standards**

Institution, a leading institution in audits and certification, further consolidates the Company's commitment and its leading position in the area of Occupational Health and Safety, the Environment and Energy, with an Integrated Management System for all of its business activities.

ISO 45001 is currently the international standard that is most highly respected in matters relating to health and safety in the workplace. Its great advantage is that the system for managing health and safety must be adjusted in line with the High Level Structure currently included in all the new versions of the ISO standards. This means that an organisation's strategy must be more closely aligned to the health and safety of its workers, with greater leadership shown by the Management in this area. In addition to this, ISO 45001 establishes a significant change in respect of obligations relating to consulting workers and obtaining their participation, in such a way that they must now be empowered and involved in areas such as the definition of policies, targets, needs and expectations. Continuing along this same line, Redexis strives to continue offering its employees a plan for their health and well-being, promoting healthy lifestyle habits that conform to its **Healthy Workplace** certification.

Occupational Health and Safety Indicators

Occupational Health and Safety forms a key part of Redexis's strategy, and the Company has taken the actions described above in order to achieve its proposed objectives. Based on these actions, the following shows the resulting indicators with which it monitors Occupational Health and Safety in 2023:

A.

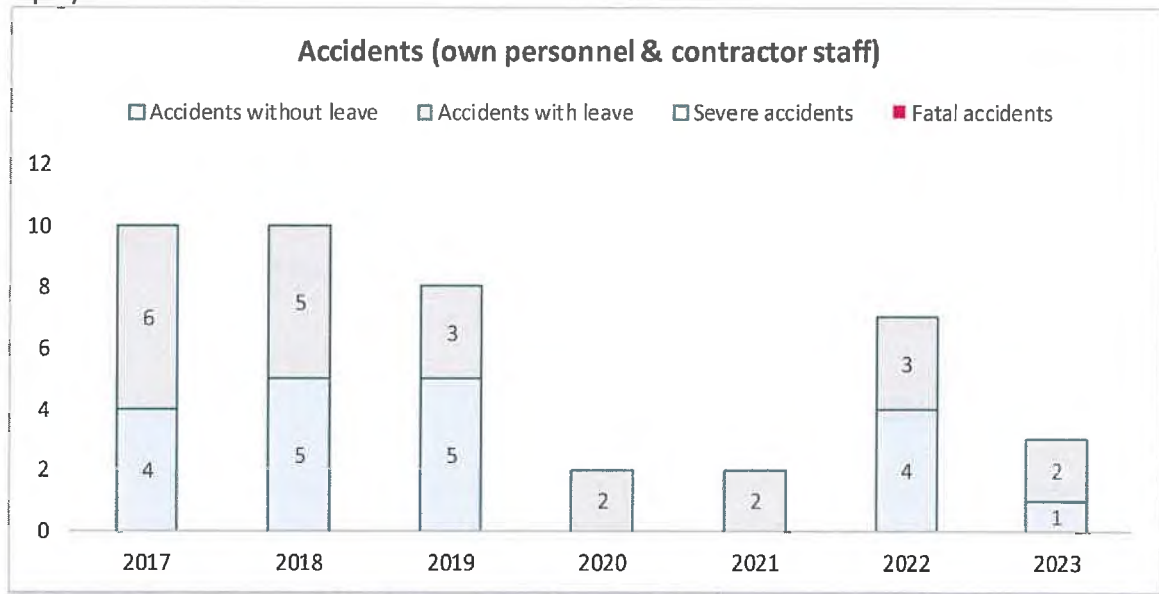
Combined rates				2023
Employees	M	F	TOTAL	
Number of Hours Worked (NHW)	510,048	208,208	718,256	
Accidents	0	1	1	
Accidents without sick leave	1	0	1	
Accidents with sick leave	0	0	0	
Severe accidents	0	0	0	
Fatal accidents	0	0	0	
Days lost			0	
Frequency rate			0.00	
Severity rate			0.00	
Contractor	M	F	TOTAL	
Number of Hours Worked (NHW)	704,109	0	704,109	
Accidents	0	2	2	
Accidents without sick leave	0	0	0	
Accidents with sick leave	2	0	2	
Severe accidents	0	0	0	
Fatal accidents	0	0	0	
Days lost			0	
Frequency rate			2.84	
Severity rate			0.05	
TOTAL	M	F	TOTAL	
Number of Hours Worked (NHW)	1,214,157	208,208	1,422,365	
Accidents	0	3	3	
Accidents without sick leave	1	0	1	
Accidents with sick leave	2	0	2	
Severe accidents	0	0	0	
Fatal accidents	0	0	0	
Days lost			0	
Frequency rate			1.41	
Severity rate			0.02	

The combined rates are calculated as follows:

- **Frequency rate** = (Accidents with sick leave * 1,000,000) / Hours worked
 - Accidents with sick leave (AWL) = AWL involving (workplace accident reports notified by the Company by Delt@ official electronic declaration) + AWL involving contractor's personnel (workplace accident reports notified by the contractor by Delt@ official electronic declaration and communicated to Redexis)
 - Number of hours worked (NHW) = HW by Company's own staff (Working hours registered by HR for company's own staff) + HW by contractor staff (Hours worked by contractor staff and notified to us in a SAD – Statistical Accident Data – form on the integrated management system)
- **Severity rate** = (No. of days lost + 1,000) / Hours worked
 - No. of days lost (DL) = No. days off due to workplace accident
 - Number of hours worked (NHW) = HW by Company's own staff (Working hours registered by HR for company's own staff) + HW by contractor staff (Hours worked by contractor staff and notified to us in a SAD – Statistical Accident Data – form on the integrated management system)

Historical evolution of accidents broken down by type (own and contractor staff)

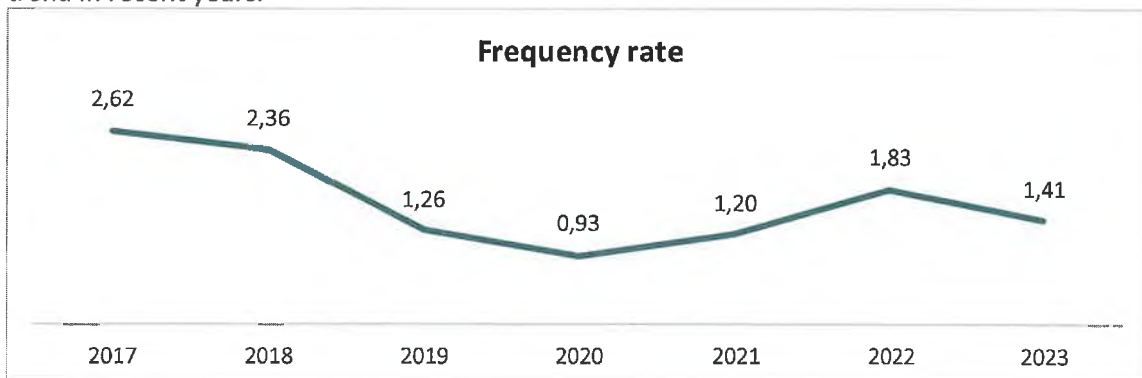
The graph below shows the evolution since 2017 of the number of accidents for own and contractor staff by type, where it can be seen that in the last eight years there have been no severe or fatal accidents thanks Redexis' focus on the Health and Safety of its direct and indirect employees.



Accident frequency rate (Company personnel and contractors)

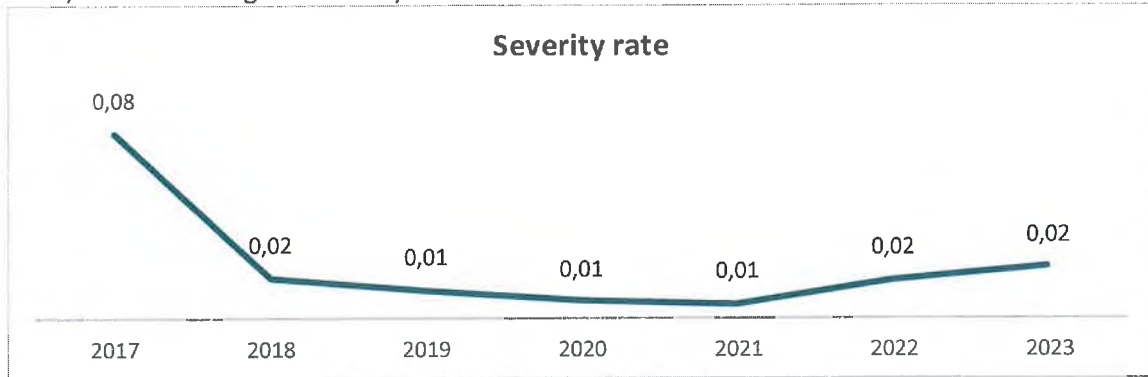
The graph below shows the evolution over the last eight years of the frequency rate, calculated as the number of accidents with sick leave multiplied by one million and divided by the number of hours worked (both for own and contractor staff). The closing CFR for 2023 was 1.41, and the average for the last five years is 1.33.

As can be seen, except for 2022 which was an anomalous year, the CFR has shown a downward trend in recent years.



Accident severity rate (Company personnel and contractors)

The graph below shows the evolution over the last eight years of the accident severity rate for own and contractor staff calculated as the number of days lost multiplied by 1,000 and divided by the hours worked. The ASR for 2023 is 0.02 and the average for the last five years remains at 0.01 as in 2022, demonstrating the stability of this rate.



Inspection visit indicators

During the year, occupational health and safety inspections are carried out, both on work sites and in maintenance and operation works. On these visits, a ratio is calculated annually against the constructed area or the number of active installations. When the indicator shows a decreasing variation between the current and the previous year, this is considered for the next year's objectives of the GEMASST department as an area for improvement to be included.

OSH inspection visits (work site)	Total 2023 (#)	Total 2022 (k#)	Ratio visit / built LM 2023	Ratio visit / built LM 2022	Change
TOTAL	1,505	2,026	0.02	0.01	66%

OSH inspection visits (M&O)	Total 2023 (#)	Total 2022 (k#)	Ratio visit / no. facil. 2023	Ratio visit / no. facil. 2022	Change
TOTAL	444	538	0.11	0.14	-19%

Business coordination indicators, safety plans and assessments

A series of business activity coordination meetings are held to coordinate works, maintenance and operations (M&O) at the various facilities. Studies are also completed at the offices in order to provide details of health, safety and working conditions at each of the workplaces.

Business activity coordination meetings (CAE) Work Sites	Total 2023 (#)	Total 2022 (k#)	Ratio meeting / built LM 2023	Ratio meeting / built LM 2022	Change
TOTAL	309	253	0.0046	0.0017	174%
Business activity coordination meetings (CAE) M&O	Total 2023 (#)	Total 2022 (k#)	Ratio meeting / no. facil. 2023	Ratio meeting / no. facil. 2022	Change
TOTAL	65	89	0.0165	0.0231	-29%
Health and Safety Plans (work site)	Total 2023 (#)	Total 2022 (k#)	Ratio plan / built LM 2023	Ratio plan / built LM 2022	Change
TOTAL	395	375	0.0058	0.0025	136%
Office risk assessments	Total 2023 (#)	Total 2022 (k#)	Ratio assess. / office 2023	Ratio assess. / office 2022	Change
TOTAL	15	2	0.8824	0.1176	650%
Hygiene assessments	Total 2023 (#)	Total 2022 (k#)	Ratio assess. / office 2023	Ratio assess. / office 2022	Change
TOTAL	12	0	0.7059	0.0000	n.a.

Emergency and Self-Protection Plans and Drills Indicators

In order to ensure the health and safety of its workers at all times, Redexis has detailed emergency and self-protection plans for its offices and other facilities, and these involve the regular holding of emergency drills in order to ensure that the plans are working correctly, as well as to identify any potential need for them to be updated, and ensure that everyone knows how to act at any given moment.

Redexis carries out Interior Emergency Plans (IEP), Self-Protection Plans (SPP) and Office Emergency Plans (OEP), as well as on-site drills and drawing up documents against explosions due to the nature of its facilities.

Number of IEPs conducted	Total 2023 (#)	Total 2022 (k#)	Ratio IEP / no. facil. 2023	Ratio IEP / no. facil. 2022	Change
TOTAL	6	13	0.0015	0.0034	-55%
Number of SPPs conducted	Total 2023 (#)	Total 2022 (k#)	Ratio SSP / no. facil. 2023	Ratio SSP / no. facil. 2022	Change
TOTAL	21	61	0.0053	0.0158	-66%
Documents against explosions	Total 2023 (#)	Total 2022 (k#)	Ratio docs. / no. facil. 2023	Ratio docs. / no. facil. 2022	Change
TOTAL	40	48	0.0101	0.0124	-18%
Drills conducted at facilities	Total 2023 (#)	Total 2022 (k#)	Ratio drills / no. facil. 2023	Ratio drills / no. facil. 2022	Change
TOTAL	42	56	0.0107	0.0145	-27%
Office emergency plans	Total 2023 (#)	Total 2022 (k#)	Ratio plan / office 2023	Ratio plan / office 2022	Change
TOTAL	8	1	0.4706	0.0588	700%

Training indicators

Training in health and safety issues is of key importance to Redexis, and the GEMASST Department therefore carries out training activities that seek to teach the workforce about these issues and create awareness of the potential risks involved when they are performing their duties, so that

they will be able to detect them.

Number of training actions carried out	Total 2023 (#)	Total 2022 (k#)	Ratio actions / FTE 2023	Ratio actions / FTE 2022	Change
TOTAL	178	250	0.5234	0.7380	-29%
Hours of training provided	Total 2023 (#)	Total 2022 (k#)	Ratio hours / FTE 2023	Ratio hours / FTE 2022	Change
TOTAL	1,836	1,994	5.3974	5.8852	-8%
Workers trained	Total 2023 (#)	Total 2022 (k#)	Ratio workers / FTE 2023	Ratio workers / FTE 2022	Change
TOTAL	587	1,005	1.7260	2.9668	-42%

4.4 Social relations

GRI 3-3, 403-1, 403-4, 402-1, GRI 2- 30.

In June 2022, Redexis approved its **3rd Company Collective Agreement, the main aims of which** are to establish a single regulatory framework in order to encourage stable employment and to achieve a substantial improvement in working conditions, which covers all people who work for Redexis. This Agreement will be in force until 31 December 2025 and recognises improvements such as:

- One of the main elements in the Agreement is the modernisation and improvement of flexible working conditions in order to favour work-family balance and the well-being of Redexis's employees, the most notable aspect being the implementation of a remote working model for up to 42% of working hours for jobs that do not require the employee to be physically present, though this is always a voluntary option.

The options that workers may choose from are as follows:

- a) remote working one day a week
 - b) remote working two days a week
 - c) remote working every afternoon and one morning a week during the non-continuous working days of the winter, which becomes two days a week during the uninterrupted working days of the summer.
 - d) In addition to this, every worker will have an allocation of 10 remote working days per year, which can be accumulated over the uninterrupted working day period in such a way that they can work remotely for two complete weeks during that period.
- Increased flexibility, with a reduction in the minimum time taken for lunch and an increase in the length of the uninterrupted working day period over the summer.
 - Reduction in the total number of hours worked during the year, with an increase in rest days.
 - Extension and improvement of some of the paid leave permitted under the Agreement.
 - Definition of new digital disconnection rules under which the right to disconnect is regulated, which will benefit work-family-personal life balance and guarantee rest periods and holidays.

The Agreement maintains a model for annual increases linked to the Company's operating profit (EBITDA), and it also guarantees gradual improvements in base salaries under the Agreement, with a 3% annual increase for the period that the Agreement remains in force.

The **3rd Collective Agreement shapes labour relations with the Company** and recognises the existence of an Inter-Centre Committee comprising a maximum of 5 members, who will be appointed from among the members of the Company's various Workplace Committees and/or Staff Delegates.

This Committee has the following powers:

- To act as a valid interlocutor with the Company in respect of any individual or collective issues which have been expressly delegated to the Inter-Centre Committee by the Workplace Committee, Staff Delegate and/or any workers requesting its intervention, and in this case the decisions adopted by the Inter-Centre Committee will be binding upon the party that has delegated the power in question.
- Each year, the Company informs the Inter-Centre Committee about the Company's global plans with regard to contracting.
- The Company informs the Inter-Centre Committee annually about the Company's global plans with regard to training.
- The Inter-Centre Committee will act as the workers' legal representative for all purposes in relation to any of the collective matters described in Articles 40, 41, 44.9, 47 and 51 of the Spanish Workers' Statute, whenever the measures taken by the Company in this regard affect more than one of the Company's workplaces, and when the matter in question relates to Article 82.3 of the Spanish Workers' Statute.

In addition, as part of the social dialogues, the following should be noted:

- Both the CCOO and UGT unions have a presence at Redexis, each with their own respective union section.
- As of 31 December 2023 there are 17 Legal Workers' Representatives.
- At the end of 2023, negotiations began with the social partners on the 3rd Redexis Equality Plan, the main aim of which is to continue guaranteeing equal opportunities.
- The working timetable is agreed every year with the legal representative at all the Company's workplaces.

Consultation with and participation by workers in relation to matters of Occupational Health and Safety, established by collective negotiation, is arranged through the Territorial Health and Safety Committees (THSC) and Occupational Health and Safety (OHS) Commissions. During 2023, the West Andalusia, Extremadura and East Andalusia regions were unified into a single entity called the South Zone. Subsequently, the South Zone Committee was established (merging THSC Cádiz and THSC East Andalusia), and the Merida Commission was dissolved. Additionally, in June 2023, the THSC Balearics became a Commission due to a lack of worker representation and no upcoming union election promotions anticipated. Consequently, in 2023, the following 4 THSC and 1 Commission were convened quarterly as mentioned below:

- THSC Central Region
- THSC Levante
- THSC South
- THSC Northern Region
- Balearics OHS Commission

The Safety Committees are joint collegiate and participatory bodies whose purpose is to engage in regular consultations on the Company's activities in the area of the prevention of workplace risk. They are made up of the prevention officers on one side and representatives from Redexis on the other (Territorial Managers, Delegates, etc.), each in equal numbers. Each Committee has a Chair

and a Secretary. A representative from the Prevention Service may attend meetings of the Committee with the right to speak but not to vote. Given its status as a joint collegiate and participatory body, all of its actions must be taken jointly, following agreement by a simple majority of its members, set out in writing, with representation from both sides. These Committee meetings will be held on a quarterly basis, though extraordinary sessions may also be convened.

Each Committee, as a participatory body whose purpose is to engage in regular consultations on the activities of the REDEXIS companies in the area of risk prevention, will have the following powers and duties in relation to the activities carried out in the different regions:

- Taking part in the preparation, implementation and evaluation of risk prevention plans and programmes.
- Discussing, before its implementation, the choice of organisational method to be used by the Company and, where applicable, the management activities of the specialist institutions that the Company has engaged to carry out preventive actions, along with projects in the areas of planning, the organisation of duties and the introduction of new technologies, the organisation and performance of protection and prevention activities, project preparation and the coordination of training in the area of prevention.
- Promoting initiatives relating to methods and procedures for effective risk prevention, making proposals for improved conditions or the correction of existing deficiencies.
- Gaining a direct awareness of the situation relating to risk prevention at the various workplaces, making the visits deemed necessary in this regard.
- Ascertaining which documents and reports on working conditions are necessary in order for the Committee to fulfil its duties, along with the documents and reports arising from the activities of the prevention service, where applicable.
- Being aware of and analysing any damage caused to the health or physical well-being of the workers, in order to assess the causes and propose the relevant preventive measures.
- Being informed about and issuing the annual report, and scheduling prevention services.

Aside from these 6 Territorial Safety Committees and 1 Commission, the Company's **Interterritorial Health and Safety Committee (IHSC)** also met once again in 2023. This Committee meets every six months and comprises 5 members of the Company's management (Manager of Operations, Manager of Network Operation, Balearic Islands Regional Manager, Northern Regional Manager and Talent Manager (HR)) and 5 workers' representatives from the different regions and union groups. The position of Secretary falls to the head of GEMASST, who has the right to speak but not to vote, and the Committee is advised by the head of the Prevention Service, who also has the right to speak but not to vote.

The IHSC has the powers and duties listed below, when the necessary duties exceed the regional scope of each of the regional Safety Committees:

- Encouraging observance of the legal provisions in force in order to prevent occupational risk through the entire Redexis Group.
- Taking part in the preparation, implementation and evaluation of risk prevention plans and programmes.
- Discussing, before its implementation, the choice of organisational method to be used by the Company and, where applicable, the management activities of the specialist institutions that the Company has engaged to carry out preventive actions, along with projects in the areas of planning, the organisation of duties and the introduction of new technologies, the organisation and performance of protection and prevention activities, project preparation and the coordination of training in the area of prevention.

- Promoting initiatives relating to methods and procedures for effective risk prevention, making proposals for improved conditions or the correction of existing deficiencies.
- Gaining a direct awareness of the situation relating to risk prevention at the various workplaces, making the visits deemed necessary in this regard.
- Ascertaining which documents and reports on working conditions are necessary in order for the Committee to fulfil its duties, along with the documents and reports arising from the activities of the prevention service, where applicable.
- Being aware of and analysing any damage caused to the health or physical well-being of the workers, in order to assess the causes and propose the relevant preventive measures.
- Being informed about and issuing the annual report, and scheduling prevention services.
- Issuing the reports and expert opinions requested by the THSC in relation to matters that exceed their regional scope.
- Reporting the conclusions adopted by the IHSC to the THSC when it is in the latter's interests to know these conclusions.
- Dealing with the issues passed on to it by the THSC.
- Being aware of and issuing an annual report on the evolution of the training programme established in relation to health and safety.
- Being aware of the results of any external audits arranged, either voluntarily or compulsorily, by the Company in relation to health and safety issues.
- Being aware of prevention plans and obtaining information on the safety procedures prepared for the various business lines.

The Company has also established Regional Sustainability Committees and Regional Environment and Energy Committees which meet every six months.

For Redexis, transparency and constant dialogue with everyone who forms part of the Company is essential, since these are key aspects for the essential management of communications.

Redexis has an internal portal (comunicacion@redexis.es) which allows shared communications between all areas and departments. This portal is also used to report all the achievements and milestones reached. It is also used as a channel for reporting all internal events and activities with employees, which represent an important part of the Company's internal activities.

In 2023, the new format for internal communications known as **"Meeting point"** (*punto de encuentro*), originally introduced 2022, was maintained. It aims to inform, involve and listen to employees and answer any questions, queries, concerns or ideas that they might have. This tool establishes a new way of communicating internally that is more direct, participative, transparent and reciprocal, and it places employees at the centre of the decision-making process. Three sessions took place in 2023. The first "Meeting Point" was held online on 9 March while the second was held on 18 May in person, with employees from branches from all over Spain coming together again, this time in Zaragoza. The third "Meeting Point" was held online on 25 October. At all three events, employees were able to submit questions, and these were responded to by the CEO and the rest of the Management Committee during the course of the event.

Likewise, for the first time in 2023, a new tool **"Breakfast with Energy"** was launched, where the CEO of Redexis sits down for breakfast with a group of employees so that they can ask him their questions or raise any concerns they may have and he can answer them directly and in person. These breakfasts have been held throughout the year in all offices and involve employees from all levels of the Company.

A monthly **Newsletter** is also sent out detailing the most important events and milestones achieved during the previous month. It also includes an interview with members of one of the Company's departments, offering employees the chance to get to know their colleagues better.

Another essential tool for communications is the **Intranet**, which all employees can access and which allows them to check all the latest news about the Company, regulations and documentation, as well as giving them access to the campus and other Human Resources channels, etc. The Intranet is vital for establishing links between the Company and its employees and is a reliable source of information on corporate matters.

The **Redexis Commitment** (*Compromiso Redexis*) channel was created within the area of Corporate Social Responsibility (CSR) and is used to inform employees actively about all the initiatives carried out by the department, with a view to increasing a sense of belonging and well-being with the Company. November 2023 saw the launch of the **4th children's drawing contest entitled "Redexis lights up your Christmas"**, which continues to focus on the emotional development and well-being of children. This contest, which can be entered by all employees' children under the age of 13, is divided into different age categories, and winners can choose between a number of prizes and the opportunity for their drawing to become the Redexis Christmas card for 2023. This channel is also used to report all the volunteering and corporate social responsibility activities that employees can take part in or collaborate with, many of which are arranged by the Redexis Foundation.

4.5 Training

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

As part of our commitment to all the people who form part of Redexis, the Talent division designs and promotes training programmes and activities that will help them to develop the skills they require in order to tackle the challenges faced by the Company and the know-how that will assist them in their personal and professional development.

The aim pursued by the Talent division is for **100%** of employees to have access to training that is suited to their needs in terms of both learning and development. In this regard, the Company has strengthened the range of training it offers, focusing its efforts and resources on providing tools and know-how in all the strategic and growth areas that are particularly important for new businesses and new renewable energies.

During 2023, the most important training areas have been as follows::

- **Technical training:** for the third consecutive year we have provided the entire workforce with a catalogue of more than 800 courses on the energy sector, infrastructure, project management, etc., all of which are led by some of the country's leading experts and universities. In addition, training has been given to specific groups in Finance for Non-Financial Professionals, Receiving Facilities, Commercial Training, etc.
- **New Businesses Training:** These courses are available to all staff. The courses that have seen the most enrolments are those that relate to renewable energies, such as Biogas and Biomethane, Hydrogen, solar and photovoltaic energy. In total, 2,353 hours of training have been carried out through this School with a total of 152 enrolments.
- **Corporate Training:** training on topics of general interest or mandatory for the entire workforce, such as the Welcome Programme for new employees "We are Redexis", our

internal rules and code of conduct incorporated into Corporate Governance, our Equality Plan, etc. This year, we have placed special emphasis on informing the entire workforce about the new Talent Management System, called GPS, which integrates all the processes related to Growth, Performance, Success in the Company. With this in mind, we have carried out specific training in the tools, processes and skills necessary to enhance the culture of performance and development at Redexis.

- **Skills, Communication and Leadership Training:** we have an open catalogue of more than 100 online courses for all people who want to improve their social skills, leadership, team management, etc., including courses such as Communication and Listening, Languages, Social Intelligence, Team Coaching, etc. In addition, face-to-face workshops have been held for all the Company's People Managers, which are focused on managing performance and development, giving feedback, etc.
- **Training in Technology and Cybersecurity:** Training on various technological tools that allow for more efficient work and knowledge of information security. Some of the workshops include Phishing, Artificial Intelligence, Python, etc.
- **Training in Safety, Health and the Environment:** Working with the GEMASST department, Redexis promotes risk prevention, health and safety for all, and training on issues such as the environment, mobility, etc.

During 2023, we further improved formats that allow us to reach more employees in order to tackle issues of strategic interest, such as Hydrogen, Biogas and Biomethane, offering **webinars, forums and masterclasses** with known experts from Spain and around the world. We have also made available to all staff a catalogue of more than 100 courses on skills, management, sales, well-being, etc., that complements the technical catalogue, which already has more than 800 courses on offer.

We have also carried out internal training with the experience and knowledge of employees who have developed specific content for their areas and who have shared it either through our Campus online or through blended learning, face-to-face and streaming.

- **Diversity, Equity and Inclusion:** training aimed at identifying unconscious biases and enabling a diverse, egalitarian and inclusive environment.

We were also keen to attend to any training needs that may fall outside these areas and subjects, promoting the **Flexible Remuneration** scheme with the introduction of a grants system for **Masters' Degrees**. This gives the chance to attend one of the 100 Masters' and other postgraduate degree courses with official Spanish university certification, during which students have access to all the course content free of charge and only have to pay the Dissertation fee if they decide that they would like to obtain the degree.

All in all, we continue to have a ratio of hours/employee that allows for the continuous updating of staff knowledge and skills.

Training actions	2023		2022	
	Participants	Hours	Participants	Hours
Corporate training	941	2,774	1,203	3,104
Training in skills, languages and communication	634	1,241	13	60
Training in technology and information security	144	442	132	901
New businesses training	152	2,353	407	1,419
Technical and financial training	105	1,364	205	6,169
Leadership training	0	0	0	0
Training in Health and Safety and the Environment	709	2,083	1,473	2,648
TOTAL	2,685	10,257	3,433	14,301

4.6 Equality

GRI 3-3, 405

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

That is why, on 19 March 2013, it introduced its **Code of Ethics and Conduct** based on these principles, which includes a commitment to business ethics and transparency, thus guaranteeing the ethical behaviour of all the people who form part of the Redexis community. This Code sets out the values and good practices that should inform the organisation's actions and that affect all professionals in the performance of their duties. It establishes a series of applicable corporate regulations for all employees which are available on the Intranet and which ensure the principles of equality and diversity:

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

Redexis also has a **Diversity and Equality Policy**, through which the Company makes a commitment to promote equality and diversity and support a corporate culture in which talent is valued. It recognizes that the professionals who make up the organisation may have different origins and experiences that could contribute valuable knowledge and seeks to prevent any form of discrimination. This Policy applies to all areas of the Company and is mandatory for all professional personnel, taking on particular importance during the personnel selection and hiring processes. Redexis is thus committed to treating all people with respect and dignity, guaranteeing inclusive, understanding, and supportive working environments where everyone can carry out the tasks with which they are entrusted. Likewise, the Company undertakes not to exercise or tolerate any act of discrimination, including harassment based on gender, sexual orientation, marital status, employment status, race, disability, nationality, religion, belief, age or any other circumstance. In

this way it is determined that the selection of personnel for their engagement, promotion, training, or any other benefit will be decided on the basis of their individual skills and abilities and based on their merits.

The following are just some of the measures adopted by Redexis during 2023 to ensure **universal integration and access for people with disabilities**:

- The direct engagement of people with registered disabilities.
- The signing of an agreement with the company Ilunion Retail y Comercialización S.A.U., which is certified as a Special Employment Centre and which is active in the business of supplying office and stationery supplies and consumables, printing and graphic artwork, and corporate, institutional, advertising, and promotional gifts.
- The signing of a contract with the Company INTEGRA, which is certified as a Special Employment Centre and which provides reception services at all branches with a reception service since 2023 (Madrid, Zaragoza, Palma de Mallorca, Murcia and Ávila).

As a result of these two agreements, Redexis has been awarded a certificate of exceptionality, and the Company complies with the alternative measures set out in Royal Legislative Decree 1/2013 of 29 November, which approved the Consolidated Text of the General Act on the rights of people with disabilities and their social inclusion.

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

Since 2021, as part of our *Energía 26* Plan, we have been committed to a series of actions through to 2026 that would allow us to reach our goal of having at least 30% women in positions of responsibility. These actions are based on three key principles: Attracting, Developing and Retaining the best female talent by focusing on internal development aimed at encouraging women to join the Company, which will in turn allow us to build a basis for the future and commit to and retain that talent.

As part of this objective, the Company has carried out various initiatives during 2023:

- **Training in Diversity, Equity and Inclusion:** During September 2023, several workshops were conducted for the Management Committee and the Management Team (approximately 50 individuals) focused on the identification of unconscious biases and how to combat them, with a focus on those related to gender.
- **Women Connected (*Mujeres en Red*) Mentoring Programme:** we have launched a group mentoring programme for all women in the Company who were interested in developing greater awareness of their resources, skills and opportunities in their work and personal environment. It was launched in July and 80% of the women in the Company signed up. The mentors are the nine women currently in management positions in the Company, including the Steering Committee who have received specific training to conduct mentoring sessions. The programme consists of five sessions per group, held approximately every four weeks. By the end of 2023, the first three sessions had already taken place, with a very positive feedback from all participants.

The Company also has a **designated internal head of Diversity, Equity and Inclusion** who is Susana Lorenzo, our Director of Corporate Resources, who ensures that best practices related to DEI are promoted in our internal policies.

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

With the aim of achieving equality, Redexis takes care to ensure the work and family conciliation of all its employees by establishing a series of measures:

- Broad flexibility in the times that workers begin their working day.
- Possibility of using the remote working mode of your choice. Either working remotely two days a week or every afternoon and one full day a week.
- An allocation of 10 days' remote working is available for everyone.
- The possibility of working flexible hours on the basis of a weekly calculation.
- Establishment of non-working days on December 24 and 31.
- Establishment of uninterrupted working days from the last week of June to 15 September, including the working day prior to the Epiphany public holiday, the beginning of Holy Week and the days prior to December 24 and 31.
- Allocation of 16 hours per year for personal matters and family needs, in addition to annual holidays, for all employees who require them.
- Reduction of travel and work trips through the development of technology that allows them to be replaced by communications and videoconferencing systems.
- Improvement in employees' rights to change their timetables when caring for dependents or when they have become victims of gender violence or terrorism.
- The award of grants for childbirth and to pay for day-care for the children of people working at Redexis.

To ensure compliance with these plans and policies, and to guarantee action against illegal acts, discrimination, or harassment, Redexis has made **both internal and complaint communication channels** available to all the parties involved. Any employee or person connected with the Company can use these to express their concerns, even anonymously.

5 Our commitment to ensuring respect for human rights

GRI 3-3, GRI 2-23, GRI 2-26, 412-1, 412-2, 412-3

The **Redexis Group Code of Conduct**, which sets out the Company's commitment to the principles of business ethics and transparency in all the areas in which it is active, establishes a set of principles and guidelines for behaviour aimed at guaranteeing ethical and responsible conduct among all the professionals working at Redexis Group while they are performing their duties. This code of conduct has been approved by the Board of Directors. It aims to establish the values and good practices that should govern corporate behaviour as a whole, in addition to the behaviour of all those people directly and indirectly linked to Redexis, in the performance of their duties and in their professional relationships.

One of the keystones of Redexis's corporate culture is transparency and integrity in the performance of its business activities. To this end, a number of internal regulations have been approved (and others have been amended) in order to implement the Code of Conduct and

impress the importance of these values on the Company's employees:

- **Regulation GOB 02:** Procedure for the notification of allegedly irregular incidents within the Redexis Group.
- **Regulation GOB 06:** Institutional hospitality.
- **Regulation GOB 07:** Relations with members of Public Administrations.
- **Regulation GOB 08:** Prevention of money laundering, terrorist financing, bribery, and corruption.
- **Regulation GOB 09:** Collaborative agreements with public sector organisations, amended in March 2022 for the purposes of reviewing the procedure for signing Collaborative Agreements.
- **Regulation GOB 12:** Meetings with public sector organisations and Public Administrations, amended in March 2022 for the purposes of reviewing the meetings to be authorised.
- **Regulation GOB 13:** Prevention and action protocol in situations of harassment.
- **Regulation GOB 17:** on issues involving the Defence of Competition; the purpose of this regulation is to develop the behavioural parameters for compliance with the rules governing the defence of competition.
- **Regulation GOB 18:** on Conflicts of Interest; the purpose of this regulation is to develop the guidelines to be borne in mind by all Redexis Group professionals in order to prevent and manage, as applicable, any conflicts of interest that could arise during the performance of their duties.
- **Regulation GOB 19:** Plan for the prevention of criminal risk. This is aimed at developing a model for the organisation, prevention, management and monitoring of criminal risk at the Redexis Group, ensuring the effectiveness of certain bases for action and control procedures that will minimize that risk.
- **Regulation GOB 20:** on the duties of the ESG Committee. The purpose of this Regulation is to establish the principles for action and the rules governing the internal operation of the Environmental Social and Governance Committee.
- **Regulation EXP 01:** Verification of compliance with tax and social security obligations in the context of public tendering processes.
- **Policy IS.SEG. 02:** on the acceptable use of assets; in order to bring the Policy into line with the updated regulations on access to emails.

Redexis has a **Human Rights Policy** through which it commits to respect human rights in every phase of its activity and to make them a fundamental element in acting responsibly. Through this Policy, the Company seeks to ensure the protection of Human Rights, both among its employees and among other Stakeholders. It is based on the UN Declaration of Human Rights and is committed to the different regulations that govern human rights, which form an integral part of this Policy:

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

- The principles of freedom of expression and privacy of the Global Network Initiative.
- The 2030 Agenda for Sustainable Development.

Redexis's commitment to Human Rights is reflected in all of its commercial operations, with the aim of generating a positive impact and sustainable growth in all the areas and territories in which the Company operates. Details of this effort are passed on to all interested parties every year in the Annual Report and the Sustainability Report.

In addition to all of the above, the Redexis Group also has a **procedure for authorising, monitoring and appraising its suppliers**, with a view to ensuring that any third party that supplies goods or services to Redexis is qualified in accordance with the Company's standards of business transparency and ethics, health and safety, quality and the environment. In order to improve quality and increase standards in our value chain (data protection, information security, etc.), a review and update of this procedure is being carried out during 2023 and is expected to be completed in 2024.

In 2018, as part of its commitment to transparency and due care, Redexis created an **Appointments and Remuneration Committee** and an **Audit and Risk Committee** within the Board of Directors, even though it was not under any legal obligation to do so. In addition, Redexis complies with all the laws and regulations in force in Spain regarding human rights.

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

In addition, and as a preventive measure, each time an internal regulation is approved, the entire Company is informed via an internal communication which emphasizes the obligation to comply with the regulation in question. All internal regulations are made available to employees on the Intranet. If they have any queries or questions regarding these regulations, employees may contact the legal services department.

In addition, a range of different courses relating to the applicable regulations have been made available to employees via the Redexis Campus.

As part of one of our sustainability objectives within the Energía 26 Plan, in 2023 the Regulatory Compliance Department (integrated into our Legal Department) conducted an exhaustive analysis of internal regulations and their associated controls, identifying 156 controls (26 of which refer to training actions). In 2023, this analysis was limited to the Corporate Regulations (GOB regulations) and will be extended in 2024 to the rest of the regulations. It consisted of a review of the regulations and associated controls in order to identify which ones are feasible and correct, adjust their frequency and lay the foundations to ensure effective compliance with the controls and, in turn, with the internal regulations by Redexis Group professionals when carrying out their activities.

6 The Company's commitment to the fight against corruption and bribery

GRI 3-3, GRI 2-23, GRI 2-26, 205-1, 205-2, 205-3.

From a Corporate Governance perspective, the Company aims to continue making advances and

taking all the necessary actions in the area of good governance. To this end, all of the internal regulations and procedures required to implement these actions at the Group have been approved.

In this regard, Redexis has a **Code of Conduct** which provides a physical example of one of the aims of its strategy, namely the consolidation of a culture of Corporate Social Responsibility (CSR) in Redexis's corporate practices. This Code of Conduct sets out the Company's commitment to the principles of business ethics and transparency in all the areas in which it operates, establishing a set of principles and guidelines aimed at ensuring ethical and responsible behaviour by all Redexis Group employees in the performance of their duties. The Code determines the values and good practices that must govern business conduct and the behavior of all the people directly or indirectly linked to Redexis. The Redexis Code of Conduct also promotes the **Company's commitment to the principles of business ethics and transparency** in all the areas in which it operates, establishing a set of principles and guidelines aimed at ensuring ethical and responsible behavior by all Redexis employees in the performance of their duties.

For this reason, a number of internal regulations have been approved to convey the importance of these values to the Company's employees, notable among which are the following:

- **Regulation GOB 08**, on the prevention of money laundering, terrorist financing, bribery, and corruption.
- **Regulation GOB 02**, procedure for the notification of allegedly irregular incidents.
- **Regulation GOB 06**, on institutional hospitality.
- **Regulation GOB 07**, on relations with members of Public Administrations.
- **Regulation GOB 10**, on the Prevention of Situations of Market Abuse.
- **Regulation GOB 17**, on the Defence of Competition.
- **Regulation GOB 18**, on Conflicts of Interest.
- **Regulation GOB 19**: Criminal risk prevention plan.

Among the above regulations, it is worth highlighting the **“Regulation for the prevention of Money Laundering, terrorist financing, bribery and corruption”**, the general aim of which is to develop a framework for the action to be taken by the Redexis companies within the general sphere of crime prevention and, in particular, to prevent any potential risk of bribery and corruption in deals carried out through third parties. No cases of corruption were reported during 2023.

In addition, and as a consequence of the legislative changes made in respect of criminal offences following the entry into force of Criminal Code Reform Act 5 of June 22, 2010 and Criminal Code Reform Act 1 of March 30, 2015, Redexis has approved **its Regulation GOB-19, “Criminal risk prevention plan”**, the aim of which is to establish a model for the organisation, prevention, management and monitoring of criminal risk at the Redexis Group and to guarantee the effectiveness of certain criteria for action and control procedures that will minimize such risks, thus ensuring compliance with the requirements set out in the Spanish Criminal Code.

In addition, Redexis has approved a **risk management and control policy**, in order to establish the basic principles and general framework for action to manage the risks faced by Redexis, guiding and directing the combination of strategic, organisational and operational actions that allow the Board of Directors to strengthen compliance with the organisation's objectives, within a framework of rigour and excellence directed towards ensuring safety and service in the performance of its activities.

The “Redexis Campus” offers employees a range of courses relating to the Company's internal

regulations, and content has been developed to allow them to continue to advance in their professional development. Particularly notable among the courses that employees have had access to are the course on the Code of Conduct and the course on the procedure for reporting allegedly irregular incidents.

Communication and transparency form an important part of the Company's strategy to achieve its objectives in the area of corporate governance. All employees are informed about the approval of the different internal regulations as well as being able to consult them at any time on the Redexis Intranet.

7 Our commitment to sustainable development

GRI 3-3, 203-1, 204-1

The Company's commitment to sustainable development is also reflected in its **Sustainability Policy**. This Policy demonstrates the Group's commitment to social, environmental, ethical and sustainable development, maximizing positive impact through its inclusive and transparent dealings with all of the Group's stakeholders:

- End users and customers
- Employees
- Financial Community
- Service providers and suppliers
- Public authorities and regulatory bodies
- Community

The Sustainability Policy sets out the main undertakings that are present in all areas of Redexis's activities. This global commitment is based on the following economic, environmental, social and health and safety responsibilities, efficient energy management, and quality and excellence of service:

- Legal compliance with all current requirements, as well as with the internal regulations, codes and policies that the Group adheres to.
- Responsible management of economic and financial resources.
- Promoting the use of financial instruments that incorporate elements linked to sustainability criteria, wherever feasible and financially reasonable.
- Promoting innovation, sustainable business activities and the circular economy.
- Guaranteeing energy supplies in a safe, efficient and accessible manner, offering the highest possible level of quality, based on the best techniques available.
- Efficiently managing risk and opportunity in all its business activities, with the aim of preventing harm to people, property and the environment.
- Comprehensive and transparent action with all stakeholders, through the publication of regular reports and the promotion of active two-way communication.
- Providing all Redexis employees with professional support and development.
- Promoting work-life balance and equal opportunities for all workers.
- Disseminating Redexis's sustainability culture among all stakeholders.
- Developing actions aimed at sustainable growth in the communities in which it operates.
- Complying with the commitments reflected in its Integrated Health and Safety, Environment and Energy Management Policy, and the development and implementation of those

commitments using international reference standards and the Group's own Integrated Management System.

The new **GOB-23** corporate policy was published in 2023: **Company vehicle policy**, which, among other aspects, promotes the use of vehicles equipped with propulsion systems that are increasingly more environmentally friendly and that help to meet the corporate objective of reducing the carbon footprint. The **GOB-22** regulation was also published: **Processing of applications for connection of renewable gases to the network**, with the aim of determining the guiding principles and the system for processing connection applications for the injection of renewable gases into the natural gas networks operated by the group's regulated companies.

As an operator of energy infrastructure, Redexis plays a fundamental role in the **sustainable development of the local economies** in which it operates. As a key player in the Spanish gas and energy sector, it works hard to support economic activity, corporate productivity, employment, the environment, the management of energy efficiency, and the improvement of quality of life for people, business and industry.

Redexis's strategy is linked to sustainable development throughout all the areas in which it operates, which has led to its recognition by a number of **ratings agencies** that monitor environmental, social and governance (ESG) practices, such as GRESB and Moody's ESG Solutions (formerly Vigeo Eiris).

- **GRESB:** in 2023 Redexis was once again awarded a five-star ESG rating, the highest awarded, in the GRESB sustainability rate, thus maintaining its rating from the previous year and demonstrating its long-standing commitment to sustainability. The Company has maintained the same score year-on-year, reaching a score of 95.2 out of 100, which placed it above the average for businesses in the sector.
- **Moody's ESG Solutions:** this international Company (formerly **Vigeo Eiris**), the leader in CSR and sustainability ratings, classified Redexis as "advanced" in 2023, based on its performance in the area of ESG in 2022. This is the highest rating awarded and exceeded the previous year's score by two points, this time reaching 64. The Company has obtained ratings that are above the industry average in a range of indicators, which bears witness to Redexis's commitment to sustainable development.




Within a framework of environmental and social responsibility, Redexis has promoted the area of Sustainability, integrating the Sustainable Development Goals (SDGs) as a fundamental part of its corporate governance, strategy and operations model. As a key player in the areas of energy transition and sustainable development within the energy sector, Redexis strives to drive through new solutions and alternatives, carrying out projects on sustainable mobility and the use of renewable energy sources, such as photovoltaic solar energy, green hydrogen, biogas and biomethane.

The **Paris Agreement** was signed in 2015 under the auspices of the United Nations, establishing measures to reduce greenhouse gas emissions and building the necessary way forward to combat climate change globally in accordance with a common model. 197 nations were united for the first time in a common cause to combat climate change, reduce emissions, adapt to the effects of climate change, cooperate and focus their efforts on developing countries, thus establishing a new global scenario in the fight against climate change. The signing of the Paris Agreement seeks a global response to the threat of climate change, setting clear, achievable and defined targets such






as keeping the global temperature increase this century to below 2°C above pre-industrial levels, and aiming for no more than a 1.5°C increase. In this same scenario, the **2030 Agenda** for Sustainable Development was signed by the members of the United Nations, with the aim of addressing the social, economic and environmental challenges facing us, putting people, the planet, prosperity and peace at the centre, under the motto of “leaving no one behind”. The 2030 Agenda includes **17 Sustainable Development Goals (SDGs)** that are universal and apply equally to both developed and developing countries.

As a comprehensive energy infrastructure Company, Redexis plays a central role in the regions in which it operates, and their sustainable development is a fundamental objective of its strategy. Since 2014, it has been a member of the United Nations **Global Compact Spanish Network**, and it is therefore committed to achieving the Compact’s sustainable objectives. It thus contributes to the consolidation of this global project through its activities and contributes to the SDGs that constitute the 2030 Agenda.

Throughout 2023, Redexis has contributed to **SDGs 1, 3, 4 and 5** in respect of social inclusion, **SDG 9** in respect of economic growth and **SDGs 7, 11 and 13** in the area of environmental protection, along with **SDG 17** in respect of the creation of alliances.

DIMENSION	SDG	2022
Social		<p>Donation of Euros 5,000 from the Redexis Foundation to the Emergency Committee to assist in the humanitarian crisis resulting from the Morocco earthquake.</p> <p>Donation of Euros 10,000 to the Emergency Committee to assist in the humanitarian crisis caused by the earthquake in Turkey and Syria.</p> <p>Donation to the Madrid Food Bank to cover the lack of milk in its storerooms with the donation of five litres of milk per employee.</p> <p>Donation from the Redexis Foundation to the Association of the Three Wise Men (<i>Asociación de Reyes Magos</i>) of San Fernando (Cádiz) for the purchase of toys for children from families in the municipality as part of the “No child without a toy” (<i>Ningún niño sin juguete</i>) initiative</p>
		<p>Invitation to not-for-profit organisations to apply for the Redexis Foundation’s 3rd Aid Line, for the development of projects to improve energy efficiency and quality of life for people with disabilities, particularly during childhood and adolescence.</p> <p>Continuation of the Company’s psychosocial and well-being activity for Redexis employees.</p>
		<p>The Redexis Foundation has launched the Energía26 Study Grants programme for the children of Redexis employees</p>

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		undergoing baccalaureate studies, intermediate vocational training or bachelor's degree studies.
		<p>Launch of the programme Women Connected (<i>Mujeres en Red</i>), which provides mentoring and support for female staff in their personal and professional development</p> <p>Conducting face-to-face and online training workshops on unconscious bias as part of the Diversity, Equity and Inclusion programme</p>
Economic Growth		<p>Development of corporate scorecards using data processing tools to improve information quality and resource efficiency.</p> <p>Development of innovative Artificial Intelligence tools with new algorithms to improve business efficiency and optimise network deployment.</p>
Environmental Protection		<p>Agreement with Meliá for the installation of a Hydrogen Fuel Cell in one of its hotels in the Balearic Islands to supply energy from a clean and renewable source</p> <p>Construction of the first hydrogen pipeline in Spain, which will inject hydrogen into the Natural Gas network as part of the Green Hysland project.</p> <p>Installation of an electrolyser in Garray to produce 100% renewable hydrogen in Castilla y León.</p>
		<p>Commitment to transparency, communications and stakeholders through the publication of the integrated report, activity report and Non-financial Reporting Statement.</p> <p>First launch of the Tax Transparency Report for 2022.</p>
		<p>Registration of the calculation of the Company's Scope 1 and Scope 2 Carbon Footprint, with a commitment to reduce emissions.</p> <p>Participation in initiatives such as Green Hysland, HIGGS, Ocean H2, Hydrogenizing BCN and the pioneering injection of biomethane in Spain in collaboration with Galivi Solar.</p> <p>Connection of another biomethane injection point for Biolvegas, increasing the portfolio of projects under analysis and contracting.</p> <p>Completion of the construction of the first green hydrogen production plant in Garray, Soria (2.5 MW), which can be powered directly from the electricity generated by a 5.2 MW photovoltaic plant and which will have a 150 m3 storage system.</p>

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Alliances		<p>Agreements and alliances with the leading players on the national and international energy map: GASNAM, Spanish Hydrogen Foundation, Appa Renovables and the Aragón and Extremadura Energy Cluster, among others</p> <p>Collaboration with sporting and cultural organisations: UCAM Murcia CB, Villatobas Sports Schools</p>
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The European Union includes the fight to combat climate change among its main strategies, with goals that are closely aligned with those of the Paris Agreement, and it has established ambitious policies with the aim of making Europe the first carbon neutral continent by 2050. It has developed the **European Green Deal**, a package of ambitious measures that seek to reduce emissions, focus on innovation projects, and conserve the environment and biodiversity. The Green Deal is the European Union's road map to the development of a sustainable economy on the continent: with no emissions, a sustainable use of resources and without leaving anyone behind.

The changing times in which the sector is currently immersed, together with the EU's decarbonisation goal under the 2030 Agenda, are leading to the proliferation of renewable energies and the promotion of more sustainable alternatives. In this regard, Redexis is working resolutely on the **development of new, cleaner and cheaper forms of energy**, with the aim of reducing emissions and achieving a more sustainable planet, contributing to the reduction of emissions and creating jobs.

Energy transition is one of the greatest challenges we currently face, both as a society and a Company, and natural gas plays an essential role in this process, due to its low emissions. For certain industries that need high levels of power and heat, gas is essential in order for them to continue to operate.

In terms of innovation, Redexis is actively developing renewable gas, biomethane and green hydrogen projects in different parts of Spain.

- **Ocean H2:** the aim of which is the development of marine plants for the production, storage, transmission, distribution and supply of renewable hydrogen produced using wind and photovoltaic energy obtained at sea. Redexis is the Company that is responsible for studying the various technologies that form the logistical and technological chain for hydrogen produced at sea, and it is thus designing solutions that will allow the hydrogen to be transmitted from the plants in which it is produced and stored.
- **Zeppelin:** the Company is working on the development of technologies for the production and storage of green hydrogen based on the use of waste and secondary products in order to improve cost and efficiency.
- **Higgs:** a European cooperation initiative that will study the possibility of injecting hydrogen into existing natural gas infrastructure as a way of reducing CO2 emissions.
- **Prisma:** whose objective is the implementation of sustainable artificial intelligence for the development of a predictive model of LNG consumption and its application for process optimization and reduction of associated carbon footprint.
- **CandHy:** the objective of which is to analyse the compatibility of metallic materials (other than steel) in the gas distribution network in the presence of hydrogen, in order to facilitate its distribution in these networks by blending or using 100% hydrogen-dedicated systems.



- **Shimmer:** the project seeks to enable greater integration of non-fossil gases and safe management of hydrogen injection in multi-gas networks while strengthening knowledge of the risks and opportunities through various activities.
- **MODELAMEH2:** The project aims to study the injection of renewable gases into the natural gas network, addressing the entire value chain from production and conditioning of flows to its impact on end consumers. It proposes the digitization and automation of the different stages and technologies involved in the process, using Computational Fluid Dynamics (CFD) models to predict flow patterns.

7.1 Impact of the activity on local communities

Natural Gas

Natural gas is an efficient alternative that makes it possible to reduce emissions in sectors as important as heavy mobility and industry, in addition to achieving financial savings in customer bills. In its commitment to achieving a carbon neutral economy, and as an infrastructure operator, Redexis introduced the following initiatives over the course of 2023:

In terms of training or collaborations with third parties, Redexis is very involved in implementing best practices in all the territories where it is present and helping its customers to improve their practices related to occupational health and safety. With this in mind, the following actions were carried out in 2023:

- Training for LNG plants and actions to be taken in the event of emergency (IEP) for the team at the fire station in Jumilla after the drill.
- Training for LNG plants and actions to be taken in the event of emergency (IEP) for the team at the fire station in Yecla after the drill.
- Training “Risks derived from the distribution and transmission of LPG and NG/LNG”, in collaboration with the School of Citizen Protection of Castilla-La Mancha, for Firefighters belonging to the S.E.P.I of Albacete, Guadalajara City Council, Cuenca Provincial Council and Toledo Consortium, as well as the Talavera de la Reina fire station.
- Training on gas transmission pipelines, natural gas distribution, LNG plants, and LPG plants in the provinces of Zaragoza and Teruel, and emergency response for the Caspe Fire Station (Zaragoza) after visiting the CASPE secondary gas pipeline.
- Training on the functionalities of the facilities and emergency response with the Conil de la Frontera Fire Station (Cádiz).
- Training on the features of the facilities and emergency response with the San Fernando Fire Station (Cádiz).
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Vehicular Natural Gas (VNG)

Vehicular Natural Gas, i.e. the gas used as a fuel for vehicles, is a clean, economical and sustainable alternative for mobility that is enjoying serious growth thanks to the boost given by companies like Redexis, which considers its development essential and invests great efforts in this area, as a way of opening up a place in the mobility sector for carbon neutral fuels such as biomethane, which could replace VNG without the need for changes either to infrastructure or to the vehicles that currently run on VNG.

VNG is a revolutionary energy both for society and for companies that are increasingly concerned

about the environment. Redexis is promoting its development through the creation of gas filling stations distributed throughout Spain and the signing of agreements with large companies in the sector such as Cepsa, Seat and Volkswagen, along with the companies that retrofit vehicles to run on VNG, such as Dimsport and Evarm, with a view to covering the entire VNG value chain.

Today, Redexis operates 28 refuelling stations in the regions of Murcia, Madrid, the Balearic Islands, Aragón, Castilla-León, Extremadura, Castilla La Mancha, the Basque Country, Galicia, Andalusia and Catalonia. In 2024, the Company plans to continue rolling out refuelling stations across the country, covering the main transmission corridors both in Spain and outwards into the rest of Europe, as well as servicing public transport fleets (mainly buses and refuse vehicles), with a view to reducing CO2 emissions and subsequently decarbonising these fleets with biomethane. The Company is already doing this in the Taxi Cooperative refuelling station with the Zaragoza council transport fleet, which supplies CNG to some ALSA buses, redeeming CO2 emissions with the purchase of biomethane source certificates (1.5 GWh/year) with growth in 2024.

In 2023, Redexis inaugurated the refuelling station for Valoriza located in Barcelona as part of the contract signed with the Company Valoriza in 2022 to supply natural gas vehicles to its refuse fleets in that province, thus extending our territorial scope to the Autonomous Region of Catalonia.

During the year, work began on another refuelling station for Valoriza in Madrid and the gas refuelling station for Urbaser in Denia, both of which are part of the contracts signed in 2022 with the two companies for their refuse fleets, which are expected to be commissioned in 2024.

Also in relation to the issue of mobility, the Company is a member of GASNAM, the platform of companies that support Sustainable Mobility (with which it has signed up to the Sustainability Pact), and the Spanish Hauliers Association (*Asociación de Cargadores de España*), which brings together the country's most important goods hauliers, with the aim of strengthening our value proposal for sustainable mobility and the decarbonisation of transport. One example of our support for sustainable mobility is our participation in 2022 in the 1st Madrid360 Awards organised by Madrid City Council, in which we were among the finalists with our project for Cepsa's refuelling stations in Madrid and the reduction of CO2 emissions and local contaminants that this entails.

We have also taken part in a number of different events, such as the Green Gas Summit organised by Gasnam, the Global Mobility Call (attended by HM King Felipe VI and the Spanish Prime Minister), which brings together the main players in urban goods distribution. These actions will continue in 2024 in order to position the Company as a benchmark in sustainable mobility through VNGs and renewable gases such as biomethane and hydrogen.

Solar photovoltaic energy

As a promoter of renewable and sustainable forms of energy, Redexis is developing solutions based on photovoltaic solar energy, an efficient and environmentally friendly product both for private households and for industry that offers control over energy production and results in cheaper costs for consumers.

During 2023, the Company experienced accelerated growth in the solar photovoltaic self-consumption market. Between the new projects contracted during the year and the year before, a total of 5.75 MW has been connected, reaching a total installed capacity of 24 MW since 2021.

In 2023, an agreement was signed with the Escolapios and Salesianos schools to carry out

photovoltaic self-consumption projects at their facilities in different locations across Spain, thus contributing to their energy sustainability and reducing their carbon footprint.

Furthermore, during the year, sizeable photovoltaic self-consumption projects were carried out, such as those at Bioforestal del Mediterráneo and Cooperativa del Campo San Miguel, contributing to the energy efficiency of these industrial customers and offering them an energy solution that also helps them to improve their sustainability ratios and reduce their carbon footprint.

Under the Agreement signed by Redexis and Cepsa for the commissioning of the **first global photovoltaic energy network** at service stations, which involves the installation of photovoltaic panels across Cepsa's network of refuelling stations in Spain and Portugal, Redexis completed the installation of almost 200 self-consumption photovoltaic facilities at service stations. The panels will supply electricity to the service stations during the day and feed any surplus energy into the distribution network.

Biomethane

Biomethane is a clean gas that is produced from renewable sources and is completely equivalent to natural gas. It is obtained from biogas using an "upgrading" purification process which improves the percentage of methane in the mixture. Among the benefits offered by Biomethane is the fact that it strengthens the circular economy by taking advantage of waste and transforming it into energy, combined with the support provided by the implementation of rural development projects in crop and livestock farming environments. Redexis is promoting innovative initiatives for the production of biomethane and its injection into its own natural gas networks, in collaboration with governmental authorities, technologists and organic waste management companies.

In July 2023, the Company **acquired the Almazán biogas plant** (Soria), acquiring the corresponding share in **Energy Green Gas Almazán**, in which it owns a 70% stake. This plant currently produces biogas for self-consumption, as well as meal and fats from animal by-products not intended for human consumption. The aim of this acquisition is to upgrade the facilities through rebumping and transforming the plant's production process from biogas to biomethane, being able to produce 19 GWh/year for injection into the network.

With this plant, Redexis is taking another step forward in its commitment to energy transition, local energy production and the circular economy, as it will bring clean gas to the energy system and contribute to the sustainable management of agricultural and livestock waste.

In addition, at the end of this year, the Company acquired the **Galivi Solar** plant (Lorca, Murcia), which is already producing biogas and for which a grid injection point is being built. This plant will consume about 124 tonnes of waste per year and produce about 42 GWh/year.

In January 2024 Redexis finalised the acquisition of a third biomethane plant also in the province of Murcia.

These acquisitions are not the only driving force behind Redexis's biomethane production in 2023, as the Company has been working on identifying and generating a portfolio of Green Field projects across Spain. Throughout 2023, the Company has identified 20 of these opportunities. Progress has been made significantly on 10 of them, which are distributed across the following regions: Aragón, Castilla y León and Extremadura.

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Redexis' objective during 2024 is to adapt the facilities of the plants purchased for the production of biomethane and injection into the grid while advancing in the processing and construction of these Green Field projects, which are expected to start producing biomethane from 2026 onwards.

Renewable hydrogen

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

In July 2023, the new Company **H2 Duero** was created with the aim of promoting the first green hydrogen production plant in Castilla y León. Redexis took 80% of the capital, with the remaining 20% held by SOMACYL, S.A. (a public Company of the Castilla y León Regional Government that specialises in renewable energy and energy efficiency projects). The plant will be located in Garray (Soria) and has received environmental authorisation from the Department of the Environment, Housing and Territorial Organisation for the production of hydrogen. As part of this project, the plant's electrolyser was already installed in 2023.

In 2023, **construction work also began on Spain's first hydrogen pipeline** as part of the **Green Hysland** project to be able to inject hydrogen into the natural gas grid. This project addresses the deployment of a fully integrated and functioning renewable hydrogen ecosystem on the island of Mallorca. The Company was also the first in Spain to obtain authorisation from the Spanish Ministry for Ecological Transition and the Demographic Challenge (MITECO) to build the injection point as part of this project. Within the framework of this project, it has signed an agreement with Iberostar to install a fuel cell at its Bahía de Palma hotel in Mallorca, which will be the first hotel in the world to carry out this type of integration.

In addition to these projects, Redexis has other projects pending development:

- **100 HRS:** Redexis and Air Liquide have formed an alliance in order to deploy up to 100 hydrogen filling stations around Spain by 2030. The stations will be strategically placed at the main logistical centres, such as Madrid and Barcelona, as well as along the principle transport routes that link Spain with the rest of Europe, the Mediterranean and Atlantic corridors.
- **Hydrogenizing BCN:** Redexis is the Company charged with developing the necessary infrastructure and with building and managing the hydrogen filling stations that are planned for various locations within the Barcelona metropolitan area, including at the property owned by Butransa, one of the largest logistical operators handling containers in the Port of Barcelona.

Renewable energy

In September 2023, Redexis signed an agreement with the energy supplier Endesa (similar to that signed with Plenitude in 2022 and in force until August 2023), thus continuing the use of energy from 100% renewable sources at its more than 360 facilities, including offices, natural gas transmission positions, LNG and LPG plants and metering and regulation stations, which will use electricity from 100% renewable sources, with an estimated consumption of 1.85 GWh.

This agreement includes a Guarantee of 100% Renewable Origin for all electricity supplied, thus guaranteeing that the Company consumes only green energy. This will help to prevent an estimated 100 tons of CO2 emissions over the coming year, equivalent to the CO2 absorbed by a

forest of more than 200 trees. These data have been audited in accordance with Standard UNE-EN ISO 14064-1: 2012 on Greenhouse gases, and the Carbon Footprint has been recorded at the Spanish Ministry for Ecological Transition.

Our social commitment

Redexis is strongly committed to local development and job creation in the regions in which it operates.

The convenience and reduction in emissions that come with the use of natural gas and even more so the use of renewable energies when compared with other conventional energies represents an important contribution by Redexis towards the service and industrial sectors, as well as towards public administrations. Thanks to its gas supply, the Company helps numerous companies and institutions to be more competitive, bringing them savings on their bills of between 20% and 50%. This can also be seen in the service sector, since many hotels, educational centres, residences, hospitals, hospitality establishments, sports enters and authorities, among others, enjoy much lower bills thanks to their use of natural gas, while also contributing to the reduction of emissions and enjoying greater competitiveness. As regards the industrial sector, Redexis helps a large number of industries to improve their production processes through access to gas, an important element in support of economic growth, competitiveness, and job creation.

Redexis is also strongly committed to the economic development of the regions in which it operates and seeks to create employment by hiring local service providers and their supporting enterprises. The business activities engaged in by Redexis involve the creation of around 2,000 and 3,000 direct and indirect jobs, with the resulting social contribution that this represents for all the territories in which it operates.

Through the Company's different regional departments, constant dialogue is maintained with the autonomous, local or island administrations, as well as with the relevant actors in these territories.

The Company works to boost the economy of the territories in which it operates, making great efforts to guarantee security of supply, employment and the improvement of the quality of life of the inhabitants of those areas, devoting a portion of its profits to social investments. To do this, it generates employment in these areas and makes its purchases and investments locally, while at the same time maintaining a firm commitment to safeguarding the environment.

7.2 Relationships with local, national and international community stakeholders and dialogue approach

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

International organisations

- **European Clean Hydrogen Alliance**, whose principal aim is to achieve the successful uptake of hydrogen technologies by 2030. The EU wants to consolidate its global leadership in this area, in addition to reinforcing its commitment to achieve carbon neutrality by 2050.

Spanish organisations

- **CAEB**, the Confederation of Balearic Business Associations, which represents the corporate fabric of the Balearic Islands.
- **Enertic**, which contributes to development of the potential for transformation offered by Information and Communications Technologies in the area of energy efficiency in Spain.
- **Gasnam**, a sustainable transport association that looks to the gas and hydrogen value chain to achieve its environmental, economic and operational goals for transport by land, sea and air.
- **Sedigas**, the Spanish gas association.
- **AEICE**, which promotes social and economic development in Spain through collaboration, innovation, internationalisation, recruitment and communication.
- **Spanish Hydrogen Association**, which promotes the development of hydrogen technologies as an energy vector, encouraging their use in industrial and commercial applications.
- **UNEF**, the leading association in the solar photovoltaic sector in Spain.
- **APPA**, which brings together companies and institutions whose aim is to take advantage of renewable energy sources in all their forms.
- **Spanish Energy Club** (*Club Español de la Energía*), which helps to bring a better understanding of the various issues relating to energy among the social interlocutors who are interested at both a domestic and international level.
- **Fide**, a legal and economic think tank with a clearly inclusive, collective and independent mission.
- **Acogen**, which encourages and supports cogeneration throughout the whole of Spain, promoting a favourable framework for existing plants and the construction of new ones.
- **Conaif**, a business organisation for installers with members throughout Spain.
- **AEBIG**, the Spanish biogas association.
- **Global Compact Spanish Network**, which supports corporate sustainability.

Regional organisations

- **Aragón Energy Cluster**, a corporate grouping that was created to help improve levels of competitiveness among companies in the sector and to assist in the implementation of innovative joint initiatives.
- **Extremadura Energy Cluster**, whose purpose is to promote the integration, creation and strengthening of companies and institutions that find themselves to be part of the value chain in the energy sector, through corporate cooperation and innovation, with the aim of ensuring high levels of competitiveness both within Spain and internationally.
- **Agremia**, the Association of Companies in the Installation and Energy Sector.
- **The Balearic Islands Government Board to Combat Energy Poverty**, which acts as a consulting, debating and advisory body in this area.
- **The Balearic Islands Advisory Board on Energy**, whose aim is to advise, support, propose and monitor, within the framework of the regulations governing energy issues, the various actions that are taken in the area of energy efficiency, the promotion of renewable energies and energy planning and innovation.
- **AHMUR**: Green Hydrogen Sectoral Association of Murcia.

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- **SOIH2 ALEX:** the first association dedicated to green hydrogen technology in Alentejo and Extremadura.
- **Andalusian Hydrogen Cluster:** dedicated to hydrogen-based technology as an energy vector in Andalusia.
- **H2CYL:** Castilla y León Hydrogen Association.

As a key player in the gas sector and as a promoter of other forms of energy, the Company participated throughout 2023 in media **events and forums** such as the Energy Conference, the Hydrogen Conference and the Mobility Conference, all organised by El Economista, “Wake Up Spain” organised by El Español, the Hydrogen Event organised by La Verdad in Murcia, the Energy Conference organised by Expansión, and working breakfasts with Servimedia, which discussed issues relating to the Company, the development of renewable gases and the current geopolitical context and its implications. GASNAM GGMS or GMC.

7.3 Redexis Foundation

The Redexis Foundation was founded in 2019 and entered in the Register of Foundations on 20 January 2020. The Foundation’s aim is to serve as an agent for energy transition and to promote the social projects engaged in by Redexis. Through its promotion of social action and support in both the cultural and sporting arenas, the Redexis Foundation shows its firm commitment to the United Nations Sustainable Development Goals, and it was within this framework of economic, social and environmental responsibility that the Redexis Foundation was born.

One of its main objectives is to ensure the development and well-being of the people who live in the territories in which Redexis operates, always bearing in mind the Company’s contribution to sustainable development and a clean economy. The Redexis Foundation is firmly committed to the United Nations Sustainable Development Goals.

The Redexis Foundation is founded on the following key values:

- **Assist:** by providing help to vulnerable groups.
- **Divulge:** knowledge of renewable energies.
- **Collaborate:** in the promotion of culture and sport.

During 2023, **The Redexis Foundation engaged in sporting, environmental, cultural, collaborative and educational projects.**

Social projects

One of the main areas in which the Redexis Foundation is active is the development of social works and projects aimed at assisting vulnerable groups that are at risk of exclusion. In February, the Redexis Foundation made a **financial donation to the Emergency Committee** to help the over 10,000 victims of the earthquake in Turkey and Syria, which caused a humanitarian crisis in the area. Likewise, and due to the humanitarian crisis caused by the earthquake in Morocco, the Redexis Foundation made a donation of Euros 5,000 to the Emergency Committee to help citizens affected by the earthquake, to be used for rescue and to send basic hygiene products, shelter and food. The Emergency Committee is a group that is made up of six international organisations that have quickly and effectively come together in order to be able to help more people and save more lives. It comprises the NGOs Aldeas Infantiles SOS, Educo, Doctors of the World, Oxfam Intermón,

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Plan International and World Vision.

The Redexis Foundation also donated five litres of milk per employee to the Food Bank in response to an emergency call alerting to a lack of milk in its storerooms.

The Foundation also launched its **3rd Aid Line to support projects that contribute to improving quality of life for vulnerable groups, especially in terms of energy efficiency**. This is principally aimed at providing support and protection for people in situations of vulnerability, offering help with improving energy efficiency at facilities used by not-for profit organisations and assisting people with disabilities, with a particular emphasis on children and adolescents. The Redexis Foundation provided aid for organisations that offer support to these groups.

This third allocation of its Aid Line demonstrates the Redexis Foundation's commitment to society and the mitigation of social inequalities in different territories, and it forms part of its commitment to the well-being of society, improving people's quality of life and achieving greater social, educational, environmental and cultural development. Within this framework of action, five beneficiary entities were chosen to implement social projects, which will benefit almost 850 people in vulnerable situations.

- **AFES Salud Mental (Murcia)**, an organisation for people struggling with mental health problems, will provide multidisciplinary care for children and young people undergoing these difficulties or potentially at risk of suffering them, as well as guidance and training for teachers at educational centres that require it due to the profile of their students.
- **Aspanob (Palma)**, the Balearic Association of Parents of Children with Cancer, will use the aid to pay the costs of an apartment in Barcelona where family members may stay during hospital visits in the city.
- **Foundation Institute for the Social Integration (Fundación Instituto para la Integración Social, Zaragoza)**, works for the normalisation, in all areas of daily life, of people with disabilities, those who are dependent or at risk of exclusion, facilitating their full social and cultural development. This project promotes interactive experiences through virtual reality glasses that can be used to simulate unfamiliar situations in which to develop and train skills that promote personal autonomy and social inclusion in real life.
- **Fundación Purísima Concepción - Hermanas Hospitalarias (Granada)**, an organisation that provides care for people with functional diversity. It will create a room with halogenerators to improve the quality of life of people with cognitive, motor and sensory functional diversity and with respiratory diseases.
- **Tupujume (Madrid)**, an association of boys and girls with intellectual disabilities, will use the grant provided by the Redexis Foundation to organise an indoor football team and a basketball team for these children.

Sporting Projects

The Redexis Foundation is committed to creating value for towns and cities and their communities by promoting sporting activities and taking an active part in the social life of those communities.

The sponsorship agreement signed with **Mérida Sporting Club** in 2022 remained in place during 2023, under which it provides support for the promotion of the women's football team in this town in Extremadura. This collaborative agreement focuses on the sporting activities of the Asociación Deportiva Mérida SAD's women's team, which plays in Extremadura's First Division. Players in both

the principal and secondary uniforms will wear the Foundation's logo during the 2022/2023 season.

The Foundation is also sponsoring the **Sala Zaragoza** women's team during the 2022/2023 season. This team provides an example of sporting integrity in the city that is consistent with the Foundation's undertaking to support values such as improvement and teamwork, reinforced by its backing for sporting activities. Through its sponsorship, the Redexis Foundation demonstrates its commitment to sporting activities and the importance of making such activities available to all of society. In this case it has given its backing to a club that has already become a beacon for the city of Zaragoza and that is passing on its sporting values to all of its inhabitants with its support for women's football.

In 2023, the Foundation has continued to support the Villatobas Sports Schools, helping to purchase sports equipment and promoting the practice of sport in the area.

Lastly, the Redexis Foundation is collaborating with the **Tennis Federation of the Region of Murcia**, through a financial donation that will be used to continue promoting and encouraging the sport of tennis and contribute to its development in the region.

These sponsorship deals also mean that Redexis employees in these areas can gain access to matches free of charge and enjoy them with all the family, which is a way of introducing employees' children to sports that they can enjoy while learning about values such as competitiveness and teamwork.

Environmental Projects

Planting and reforestation of a plot of land in the province of Zaragoza, in collaboration with "El Bosque de los Zaragozanos", in which Redexis employees and their families participated.

Collaborative and Educational Projects

The Foundation has provided financial assistance for the **Aragón Hydrogen Foundation Awards for Doctoral Theses and Master's and Bachelor's Degree Course Dissertations**, with the aim of encouraging research into the subject of hydrogen as an energy vector. Specifically, the Redexis Foundation sponsored the "2022 Redexis Foundation – Aragón Hydrogen Foundation Award" for the best Doctoral Thesis.

With one of its main lines of action being that of dissemination and knowledge, the Redexis Foundation has launched the "*Energía 26*" study grants for the children of Redexis employees undergoing baccalaureate studies, intermediate/higher vocational training or bachelor's degree studies in the 2023/2024 academic year, with the aim of encouraging and recognising academic effort and promoting development in the educational sphere.

The Redexis Foundation remains in continuous contact and collaboration with other foundations and institutions in the sector, maintaining a fluid and constant dialogue. It actively collaborates with different associations such as:

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Spanish organisations

- **Aemener**, the Spanish Association of Women for Energy, which aims to ensure the presence of women with balanced and diversified teams in all areas of business. In 2023 it participated in the AMENER STEM Careers Fair, presenting a prototype of a hydrogen car.

Regional organisations

- **Aragón Foundation for the Development of New Hydrogen Technologies**, a private, not-for-profit research centre created in order to promote the use of hydrogen as an energy vector.

As part of its commitment to transparency, the Redexis Foundation published its **2022 Annual Activity Report**, in which it gave an account of all the social, cultural, educational, environmental and collaborative work carried out by the Foundation over the course of that year.

8 Our supply chain

GRI 3-3, GRI 2-6, 308-1, 414-1, 414-2

Redexis regards its suppliers as key stakeholders within the organisation, and one of the Company's principal objectives is therefore to ensure sustainable management within the supply chain.

Redexis works with a large volume of procurements and a large number of suppliers, which means that its selection processes must guarantee equal opportunities and free competition while always seeking the highest quality in its contracted materials and services.

As an essential part of its value chain Redexis must ensure that its Suppliers match the commitment and respect the Principles and Values established by the Group.

Since 2020, Redexis has followed a **Supplier approval, monitoring and evaluation policy**, the aim of which is to ensure that any third party that supplies goods or services is qualified in accordance with Redexis's own standards of transparency and business ethics, health and safety, quality and the environment, thus promoting competition and a search for added value.

This Policy includes a **Code of Conduct for Suppliers** which deals with issues relating to:

- Labour rights
- Combating bribery and corruption
- Confidentiality
- Health and Safety
- The Environment
- Compliance with the RG Code of Conduct.

Redexis continues to seek out new challenges and develop new sustainable technologies (H2, Biomethane, Photovoltaics), and for this it requires new suppliers that will be able to respond to its needs on a global scale. Working with suppliers that have the same **commitment to social and environmental matters** as the Company is essential to achieve its sustainable development goals. That is why Redexis carries out an appraisal and monitoring process in which it studies and monitors the suppliers with whom it works.

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In order to ensure the responsible management of its supply chain, **Redexis includes occupational health and safety, social and environmental objectives in its agreements with suppliers.** The Company's general contracting conditions include a section on environmental protection and, when an invitation to tender is issued, the internal regulation entitled "Supplier Environmental Responsibility and Health and Safety" is always included.

The Company has a Registry database (RePro, external supplier classification system) for Spain, in accordance with Act 9/2017 of 9 November on contracting procedures in the water, energy, transmission, and postal services sectors. Redexis relies on this Registry both for the approval of suppliers and for monitoring their documentation, certifications and audits. This reduces risk, costs and potential compliance problems with regard to procurement. With the aim of detecting actions that can be corrected, audits are carried out on suppliers with a higher procurement volume, and any non-conformities detected result in changes that the supplier must resolve within the established period. 7% of Redexis's suppliers with a turnover of more than Euros one hundred thousand have been audited by Achilles RePro, and all of these suppliers passed the audit.

Redexis continues to improve its procurement management model in order to guarantee the maximum possible objectivity when purchasing, ensure the highest quality services and adapt to any new requirements. Selection processes (from the identification of a particular need through to receipt of the service or materials) ensure equal opportunities and free competition. The Company minimises corporate, technical, environmental, and health and safety risk throughout its supply chain.

Wherever possible, Redexis includes responsible parameters in its competitive tendering processes, such as the acquisition of energy that is guaranteed to come from renewable sources and the hiring of suppliers that can show special employment centre certification.

9 Our commitment to end users and customers

GRI 3-3, GRI 416-1, GRI 418-1

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

Stakeholders	Communication channels
End users and customers	Corporate website (www.redexisgas.es) Call Centre Call Centre for non-regulated customers – new in 2023 Control Centre Falcon LPG invoice portal Meter reading website "I read my meter" (<i>Yo leo gas</i>) app and IVR readings
Employees	Employee Portal (Intranet) Training platform (Redexis Campus) Internal whistleblowing channel Redexis Commitment Mailbox

	<p>Prevention of Occupational and Environmental Risk Internal platform for the Management of Energy, the Environment and Occupational Health and Safety (GEMASST), containing all the information and documentation relating to the internal management system. Healthy Mailbox Well-being Platform COVID-19 information Mailbox Mailbox for equality issues</p>
Financial Community	<p>Corporate website Investors Investor mailbox: investor.relations@redexis.es Personal contact with contact with shareholders, investors, analysts, rating agencies and financial institutions Reports and notes on the Company's activities</p>
Service providers and suppliers	<p>Supplier Portal Annual conventions RePro (Achilles)</p>
Public authorities and regulatory bodies	<p>Personal contact with bodies belong to the different regulatory areas (CNMC, the Ministry, regional and local organisations, etc.) Reports and notes on the Company's activities Notifications, requirements, and responses with different regulatory bodies Consultations/procedures with different national, regional, and local regulatory bodies Technical Manager of the Gas System</p>
Community	<p>Corporate website (www.redexis.es) Corporate communications mailbox Press releases Information meetings (interviews) Institutional meetings Corporate and institutional events Membership of corporate, sector, educational, cultural organisations Participation in conferences, forums, and seminars Sponsorships in the towns and cities in which the Company operates</p>

With the aim of continuing to improve bilateral communications with users and customers, Redexis conducted another **annual satisfaction survey** during the last quarter of 2023. This telephone survey is to gauge the opinions of over 600 Redexis customers and users, show them that their opinion matters to the Company, and gather information to detect and implement improvement plans.

Field work on the survey was carried out in October 2023, and it was aimed at the following customer and end user groups:

- Customers who had contracted natural gas services more than 12 months before.
- Customers who had contracted the piped LPG services more than 12 months before.
- Customers who had recently contracted natural gas services.

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- Customers who had received a regular inspection during 2023.

For natural gas customers, their NPS (Net Promoter Score) stands at 22.1 points, almost double the 2022 result, being even higher for contracts starting from 2020 onwards where it rises to 29.6. In addition, the natural gas service meets the needs of 97% of customers, with the most valued aspect being “Comfort and convenience”, which was mentioned by 74% of customers.

For LPG customers, their NPS also increases to 18 points, satisfying the needs of 96% of customers, where “Comfort and convenience” also remains the most valued aspect, mentioned in this case by 80% of customers.

For customers who received a regular inspection, the NPS is 39.9 points, with more than one customer out of two stating that they would recommend the service. Customers rate the service provided by the technician positively and above the previous year (8.7 on average) and those who were attended to by the call centre also give a good rating (7.3 on average), above the previous year.

The **customer and user helpline model** is basically structured via 3 channels:

- Customer service separating regulated and non-regulated customers by means of two different telephone numbers.
- Emergency helpline, available 24/7.
- Website

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

Guaranteeing the safety of consumers and society in general is essential for Redexis, which possesses **modern infrastructure** that allows it to offer excellent safety ratios. The transmission gas pipelines are constructed from steel pipes, all of which are equipped with a highly resistant polyethylene outer coating that protects them against corrosion and extends their working life. Redexis subjects its infrastructure to a series of preventive, predictive and continuous improvement measures, as indicated in its asset integrity management plans. In addition, the Company has a remote cathodic protection management system to monitor and control this protection.

The **Redexis control centre**, located in Zaragoza, has up-to-date information on the training of all the people who access the facilities, which allows it to maintain permanent surveillance over their access. The Company makes an Emergency Call Centre available to all users connected to its distribution networks, with a 24/7 service that is in permanent contact with the Control Centre, which receives information and makes a preliminary classification of consumer emergencies at its reception facilities. This Call Centre also receives messages from other emergency services (police, firefighters, 112, etc.) and immediately passes them on to the Control Centre, which manages the resolution of any incident and the safety of the facility in question.

Among other measures, Redexis has an **internal operational standard for dealing with distribution warnings**. The Warning Service is a permanent service created to respond to telephone calls relating to incidents in the gas supply or gas equipment (whether owned by the distribution Company or the user) and to manage, coordinate and resolve these incidents to the extent that

this is within the power of a gas distribution Company. Each month, the internal and external warnings received by our call centre are compiled, and classified on the basis of whether or not our contractor has detected a leak during their visit.

The Control Centre's SCADA system uses a variety of sensors, control units and communication equipment installed in the field to collect the measurements and status of the different parameters that define how the Company's main installed equipment is operating in real time, thus safeguarding the health and safety of consumers. Contact information for both the Telephone Call Centre and the Control Centre is available to all personnel, both Redexis's own staff and those working outside the Company, who may detect some kind of anomaly in the equipment.

The response that is to be given to any incident is set out in internal action procedures and protocols. Regular drills are carried out involving all the Company resources assigned to these kind of actions in order to ensure the best possible response in the event of a real emergency.

One of Redexis's business activities is the sale and distribution of LPG. The Redexis Control Centre handles all the logistical management of the facilities involved in this activity, and the Company is making significant efforts to fit remote measuring equipment that will provide it with information on tank levels on a daily basis.

As regards **complaints from users and customers**, these are managed from 4 areas:

- Natural gas distribution
- Sale and distribution of LPG
- Added value services
- Photovoltaic installations

Redexis sends details of all pending claims to the different divisions each week for management, classified by area and management level. In addition, a quarterly report is sent to the CNMC, using a format designed by the CNMC itself, confirming the volume of claims, their type and the time required for their resolution. For example, in Third Party Network Access (TPA), which accounts for approximately 88% of all customers, the complaints system is created in a standardized way for all sellers and distributors. In other words, the categories and sub-categories have been created by the CNMC, and Redexis adheres to them. The main entry channel (more than 95%) is the SCTD industry tool, the Transmission-Distribution Communication System, and all messages and the response circuit are designed at industry level. These quarterly reports are used by the regulator to monitor the evolution of claims in the natural gas sector, and it generates its own reports and tables which are broken down by distributor, seller, majority rate, etc.

Within the regulated business, it is the continuous aim of the Business Cycle department to monitor and maintain the level of claims, in order to keep them at a very low percentage. During 2022, a total of 79,317 complaints or claims were received, of which 98.80% were resolved during the year.

For the non-regulated business, 284 queries, incidents or complaints were dealt with this year, and 90% of them were resolved in 2023, in an average time of 27 days.

Redexis has a Call Centre for regulated customers offering a 24/7 service, which receives calls and makes an initial classification of consumer emergencies at its reception facilities. The Call Centre also receives reports from other emergency services, such as the police, firefighters, etc., and it

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immediately informs the Control Centre.

For such customers, Redexis also deals with potential claims received via the external complaint communication channel, though this is not the channel that should be used for submitting claims. In the event that it receives claims via this channel, these are forwarded to the Business Cycle department, which analyses the complaint, allegation or claim and, in turn, forwards it:

- To the Call Centre, when the communication refers to questions relating to queries or claims about billing and meter readings.
- To the Utilisation Department, when communications refer to the inspection of facilities.
- To the Systems Department, when communications refer to incidents relating to the website.

Once the complaint, allegation or claim has been resolved, these units report this to the Business Cycle department, as well as to the legal services department, the department that receives these communications via the whistleblowing channel.

For non-regulated customers, Redexis has another Call Centre with business hours attention (from 8 a.m. to 8 p.m. M-F) that receives incidents and queries or requests from customers with the aim of trying to resolve as many as possible on the first call, for which they are connected to different information systems run by the Company. Incidents that are not resolved in the same call are handled by the Call Centre by requesting information from different Company departments (construction, maintenance, billing, etc.).

10 Our commitment to transparency: Tax information

GRI 201-1, 201-4

The taxes paid by organisations represent one of their contributions to economic and social development and the maintenance of public responsibility in the country in which they operate. Against this background, compliance with current tax legislation always forms part of the principles that inspire the Company's corporate responsibility.

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

Therefore, considering both its public and corporate interests, Redexis has developed a **Tax Policy** that has been approved by its Board of Directors and that consists of complying with the following principles in the fulfilment of its tax obligations and in its relations with the tax authorities:

- Compliance with current tax legislation: pay the taxes required under the legislation in force, adopting a reasonable interpretation of this legislation at all times while trying to avoid inefficiencies and undue tax costs for Redexis as a result of this interpretation.
- Renouncing the following actions: performing operations or creating structures that only pursue a tax advantage, structuring operations that are artificial in nature or that do not relate to the Company's own activity, or making use of non-transparent structures in order to reduce its tax or burden, or making investments in or through territories classified as tax havens.

- Transparency from the bodies involved in Redexis's tax management vis-à-vis third parties (shareholders, clients, suppliers, employees, regulatory bodies, etc.) regarding the tax principles described in this report.
- Full cooperation with the Tax Administration in their verification activities relating both to Redexis and third parties, maintaining relationships based on good faith, cooperation, professionalism and reciprocity, notwithstanding any legitimate disagreements that may arise when defending the interests of the Company and its Group.

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

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

In this connection, in July 2020 the Company approved the **Group procedure for the management and monitoring of tax risk**, which further developed its **Tax Policy** and supplemented the Group's risk management and control system.

Redexis, S.A. and the subsidiaries that form part of the Spanish corporate income tax consolidation group number 0357/11 (hereinafter, the "Redexis Group" or the "Group") opted for the **Good Tax Practices Code on 25 November 2022** with the aim of improving the relationship with the Tax Administration based on the principles of good faith, transparency and legitimate confidence, and with the willingness to continue applying responsible tax policies in the different companies that make up the group.

The Redexis Group has decided to voluntarily provide, in December 2023, certain tax information summarised in the **Tax Transparency Report**, which is drawn up from the Appendix to the Good Tax Practices Code approved on 2 November 2015 by the Spanish Large Business Forum, because it considers that the provision of said information represents a further step towards tax transparency that will provide greater legal certainty for the Redexis Group.

The Group informs that in this report, special emphasis is placed on those aspects that have or may have tax implications in Spain exclusively for the Group, and that the information provided in this report is confidential, true and reliable.

The Report has followed the guidelines on structure and content set out in the proposal for the reinforcement of good corporate tax transparency practices of companies adhering to the Good Tax Practices Code, approved on 28 October 2016.

The aim of the Code is to promote a relationship of reciprocal cooperation between the Spanish Tax Authority and the companies that have signed (186 to date). This relationship is based on the principles of transparency and mutual trust, which should therefore mean that it conforms to the principles of good faith and trustworthiness between the parties, thus increasing the efficacy of the Authority's monitoring activities and reducing the legal uncertainty to which companies may be exposed, as well as reducing incidents of litigation between the two sides.

Together with its Annual Report and Annual Accounts, Redexis regularly prepares and publishes its **Management Report**, which presents a detailed list of the operations the Company has performed during the financial year and sets out the Company's future plans, in addition to describing the work it has carried out in the area of research and development. This report can be accessed by all interested parties via the Company's website, along with the rest of Redexis's corporate documents.

In addition, both the Company and the Group to which it belongs will adopt the necessary mechanisms to guarantee the monitoring of and compliance with tax regulations and the principles set out above, ensuring that they have sufficient and suitably qualified external or internal material and human resources. In this connection, the Company always relies on external advice from recognised firms in the field, whenever it deems this appropriate.

Redexis Energia S.A. was established on December 20, 2023, therefore the financial and subsidies data indicated in the following tables refer to Redexis, S.A.U., as it was the operating company and acting as the holding company for most part of the year. Consequently, the total tax contribution of Redexis S.A.U. amounted to Euros 5.4M in 2023. The following table shows a breakdown of operating earnings and revenues for the fiscal year, in addition to its total income, accounting results before and after taxes, limited to Spain, since this is the only country in which Redexis operates:

Financial Data (thousands of Euros)	2023		2022	
	Total	Spain	Total	Spain
Results from operating activities	58,569.1	58,569.1	67,793.1	67,793.1
Profit/loss for the year	17,640.0	17,640.0	28,362.3	28,362.3
Total income	260,508.1	260,508.1	269,406.7	269,406.7
Accounting results before tax	22,996.9	22,996.9	38,597.7	38,597.7
Corporate income tax accrued	-5,357.0	-5,357.0	-10,235.4	-10,235.4
Corporate income tax paid	-4,572.2	-4,572.2	-8,392.5	-8,392.5

The corporate income tax paid of each fiscal year includes the final settlement of the prior year and the prepayments of the current year.

The following table shows the subsidy information for the current and previous years, which corresponds entirely to Spain, the only country where Redexis operates.

Grants	2023		2022	
	Collections	Returns	Collections	Returns
Higgs Project (AJ4)	0.0	0.0	28,150.0	0.0
OceanH2 Project (aj9)	0.0	0.0	124,310.7	0.0
Zeppelin Project (aj10)	136,825.6	0.0	77,440.2	0.0
Green Hysland Project (aj8)	371,973.5	0.0	0.0	0.0
Prisma Project (aj11)	48,753.0	0.0	0.0	0.0
CANDHy Project (aj13)	160,125.0	0.0	0.0	0.0
Shimmer Project (aj14)	58,587.9	0.0	0.0	0.0
Debt cancellation CDTI IDI - 20200195	0.0	0.0	0.0	-163,733.6
Vortex Project (aj5)	0.0	0.0	158,846.0	0.0
TOTAL	776,265.0	0.0	388,746.9	-163,733.6

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11 Appendix I: List of Contents required in a Non-financial Reporting Statement under Spanish Act 11/2018

List of contents under Act 11/2018	Contents of Redexis's Non-financial Reporting Statement	Reference reporting framework	Page
Description of the business model			
Corporate environment	1. Our Business Model Corporate environment, organisation and structure and markets in which the Company operates.	GRI 2-1	Page 2 - 4
Organisation and structure		GRI 2-1	
Markets in which the Company operates		GRI 2-6	
Targets and strategies	1. Our Business Model Targets and Strategies	GRI 2-22	Page 4 - 5
Main factors and trends that may affect its future valuation	1. Our Business Model Main factors and market trends		Page 5 - 11
Main risks associated with the issues relating to the Group's activities			
The business relationships, products or services that may have negative effects in these areas, and how the Group manages these risks, with an explanation of the procedures used to detect and evaluate them in accordance with the national, European or international reference frameworks used for each subject	2. Risk Management	GRI 2-12 GRI 3-3	Page 12 - 14
Information on the impacts that have been detected, with a breakdown of these impacts, particularly as regards the main risks in the short, medium, and long term			
Key indicators for non-financial results that are relevant in terms of the Company's specific business activities, where they meet the criteria for comparability, importance, relevance and reliability. The key indicators for non-financial results must be applied to each of the sections contained in the non-financial reporting statement	Use as a reference for the different GRI standards for each relevant issue, in order to be able to compare results		
Information on environmental issues			
Policies			
The policies that the Group applies, which include the diligence procedures applied		GRI 3-3	Page 15 - 19

for the identification, evaluation, prevention and mitigation of risks and significant impacts, verification and control, along with the measures that have been adopted.			
General			
Detailed information on the current and foreseeable effects of the Company's activities on the environment and, where applicable, health and safety, environmental evaluation or certification procedures, the resources devoted to environmental risk prevention, application of the principle of caution, the amount of provision and guarantees relating to environmental risk.	3. Our commitment to the environment	GRI 3-3	Page 15 - 19
Pollution			
Measures to prevent, reduce or repair carbon emissions that seriously affect the environment, taking account of any form of air pollution that is specific to a particular activity. Including noise and light pollution	3. Our commitment to the environment 3.1 Pollution	GRI 305-1 GRI 305-2 GRI 305-4 GRI 305-5 GRI 305-7	Page 19 - 20
Circular economy and waste prevention and management			
Measures for prevention, recycling and re-use, other forms of waste recovery and disposal. Actions to combat food waste	3. Our commitment to the environment 3.2 Circular economy, and waste prevention and management	GRI 306-2	Page 20 - 21
Sustainable use of resources			
Water consumption and water supply in accordance with local limits	3. Our commitment to the environment 3.3 Sustainable use of resources	GRI 302-1 GRI 302-2 GRI 302-3 GRI 302-4 GRI 302-5	Page 22 - 23
Consumption of raw materials and the measures taken to use them more efficiently			
Direct and indirect energy consumption, measures taken to improve energy efficiency and the use of renewable energies			
Climate change			
Important factors in the greenhouse gas emissions generated as a result of the Company's activities, including the use of the goods and services it produces	3. Our commitment to the environment 3.4 Climate change	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-5	Page 23 - 28
Measures taken to adapt to the consequences of climate change			

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The reduction targets established voluntarily in the medium and long term to reduce greenhouse gas emissions, and the means implemented for this purpose			
Protection of biodiversity			
Measures taken to preserve or restore biodiversity	3. Our commitment to the environment	GRI 304-1 GRI 304-2 GRI 304-3 GRI 304-4	Page 28 - 29
Impacts caused by activities or operations in protected areas	3.5 Protection of biodiversity		
Information on social and personnel-related matters			
Policies			
The policies that the Group applies, which include the diligence procedures applied for the identification, evaluation, prevention and mitigation of risks and significant impacts, verification and control, along with the measures that have been adopted.		GRI 3-3	Page 29 - 30
Employment			
Total number and distribution of employees by gender, age, country, and professional category	4. Our commitment to employees 4.1 Employment	GRI 2-7 GRI 3-3 GRI 405-1 GRI 405-2	Page 30 - 36
Total number and distribution of types of employment contracts, average annual number of permanent contracts, temporary contracts and part-time contracts by gender, age and professional category, number of dismissals by gender, age and professional category			
Average salaries and their evolution, broken down by gender, age and professional category or equal value			
Pay gap, remuneration for jobs that involve performing the same or average tasks for the Company, average remuneration for directors and managers, including variable payments, allowances, compensation, payment into long-term savings pension systems and any other amount received, broken down by gender, implementation of disconnection from work policies, employees with disabilities			
Organisation of duties			
Organisation of working time	4. Our commitment to	GRI 3-3	Page 36 - 37



Absenteeism rate (hours)	employees	GRI 403-2	
Measures designed to facilitate the enjoyment of work/family life balance and to encourage the responsible use of these measures by both parents	4.2 Organisation of duties		
Health and safety			
Occupational health and safety conditions		GRI 3-3 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-9 GRI 403-10	Page 37 - 46
Occupational accidents, in particular their frequency and severity, as well as occupational illnesses, broken down by gender	4. Our commitment to employees 4.3 Health and safety		
Social relations			
Organisation of social dialogue, including procedures for informing, consulting and negotiating with staff		GRI 2-30 GRI 3-3 GRI 402-1 GRI 403-1 GRI 403-4	Page 46 - 50
Percentage of employees covered by collective bargaining agreement by country	4. Our commitment to employees 4.4 Social relations		
The overall balance of the collective agreements signed, particularly in the field of occupational health and safety			
Training			
Policies implemented in the area of training	4. Our commitment to employees 4.5 Training	GRI 3-3 GRI 205-2 GRI 404-1 GRI 404-2 GRI 404-3	Page 50 - 51
The total number of hours' training by occupational category			
Universal access for people with disabilities			
Equality			
Measures adopted to promote equality of treatment and opportunity between men and women			
Equality Plans (Chapter III of Spanish Act 3/2007 of 22 March, on the Effective Equality of Women and Men)			
Measures adopted to promote employment, protocols against sexual harassment and harassment on grounds of sex, integration, and universal accessibility for people with disabilities	4. Our commitment to employees 4.6 Equality	GRI 3-3 GRI 405	Page 52 - 54
Policy against all types of discrimination and, where applicable, policy on the management of diversity			
Information on respect for human rights			

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Policies			
The policies that the Group applies, which include the diligence procedures applied for the identification, evaluation, prevention and mitigation of risks and significant impacts, verification and control, along with the measures that have been adopted.		GRI 3-3	Page 54 - 55
General			
Application of due diligence procedures in matters of human rights	5. Our commitment to ensuring respect for human rights	GRI2-23 GRI 2-26 GRI 3-3 GRI 412-1 GRI 412-2 GRI 412-3	Page 54 - 56
Prevention of the risk of violating human rights and, where applicable, measures for the mitigation, management and repair of any potential abuses committed			
Complaints about cases involving human rights violations			
Promotion of and compliance with the provisions set out in the principle agreements of the International Labour Organization with regard to respect for the freedom of association and the right to collective negotiation			
The elimination of discrimination in employment and the workplace			
The elimination of forced or compulsory labour			
The effective abolition of child labour			
Information relating to the fight against corruption and bribery			
Policies			
The policies that the Group applies, which include the diligence procedures applied for the identification, evaluation, prevention and mitigation of risks and significant impacts, verification and control, along with the measures that have been adopted.		GRI 3-3	Page 56
General			
Measures adopted to prevent corruption and bribery Measures to combat money laundering Contributions to foundations and not-for-profit entities	6. The Company's commitment to the fight against corruption and bribery	GRI2-23 GRI 2-26 GRI 3-3 GRI 205-1 GRI 205-2	Page 56 - 57

		GRI 205-3	
Information about the Company			
Policies			
The policies that the Group applies, which include the diligence procedures applied for the identification, evaluation, prevention and mitigation of risks and significant impacts, verification and control, along with the measures that have been adopted.		GRI 3-3	Page 57 - 58
General			
The Company's commitment to sustainable development			
The impact of the Company's activity on local jobs and development	7. Our commitment to sustainable development	GRI 3-3 GRI 203-1 GRI 204-1 GRI 413-1 GRI 413-2	Page 57 - 71
The impact of the Company's activity on local towns and cities and the territory in general			
The relationships maintained with agents from the local communities and the types of dialogue engaged in with these agents			
Association or sponsorship actions			
Subcontracting and suppliers			
Inclusion of social, gender equality and environmental issues in purchasing policy	8. Our supply chain	GRI 2-6 GRI 3-3 GRI 308-1 GRI 414-1 GRI 414-2	Page 71 - 72
Consideration of the Company's social and environmental responsibility with regard to suppliers and subcontractors			
Supervision and audit systems and their results			
Consumers			
Measures to ensure consumer health and safety	9. Our commitment to end users and customers	GRI 3-3 GRI 416-1 GRI 418-1	Page 72 - 76
Systems to deal with any complaints and claims received and their resolution			
Tax information			
The profits obtained country by country	10. Our commitment to transparency	GRI 201-1 GRI 201-4	Page 76 - 79

Taxes on profits paid and public grants received			
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REDEXIS ENERGÍA, S.A.
AND SUBSIDIARIES

Authorisation of the Consolidated Annual Accounts and
Consolidated Directors' Report for 2023

Signed:



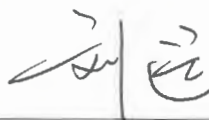
Mr Joaquín Coronado Galdós – Non-Executive President



Mr Fidel López Soria - Vice President and Chief Executive Officer



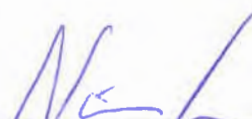
Mr Li Bo – Director



Mr Liu Yuan - Director



Mr Soren Alverde Holm - Director



Mr Niels Konstantin Jensen - Director



Ms Georgina Dellacha – Director

Mr Gavin Bruce Merchant - Director

CERTIFICATION issued in accordance with article 253 of the Revised Spanish Companies Act attesting that the Consolidated Annual Accounts and Consolidated Directors' Report of Redexis, S.A. and Subsidiaries comprise a single document and have been endorsed by the non-executive secretary on all pages and signed on the last page by the Chairman and Directors of the Company. Ms. Georgina Dellacha acts in her own behalf and on behalf of Mr. Gavin Bruce Merchant in accordance with the Power of Attorney granted on the date.

Madrid, 28 February 2024



SECRETARY TO THE BOARD OF DIRECTORS

Mr Ignacio Pereña Pinedo

INTEGRATED REPORT

2023



REDEXIS.ES

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Redexis 