

Sustainability

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This document has been approved by the Naturgy Board of Directors on December 16th 2025, in its Spanish version. in the event of any discrepancy, the Spanish text shall prevail



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1. Purpose

To elaborate on the provisions outlined in the Declaration of Principles and Policies of Naturgy (hereinafter the Group), focusing on governance, strategy, and the identification of impacts, risks, and opportunities. It involves establishing metrics and objectives to ensure effective management of Sustainability Issues as specified in the European Sustainability Reporting Standards (ESRS), by defining principles, assigning responsibilities, and using tools.

2. Scope

It applies to all companies or entities in which the Group has, directly or indirectly, a controlling interest or responsibility for their operation and/or management.

Naturgy will implement the necessary mechanisms and actions to extend the policy's application to third parties who are directly involved in earlier and later stages of its value chain.

3. Reference documents and related documents

Reference documents:

- Statement of Principles and Policies, sections 4.2 and 4.3.
- PL.00005 Society and Communication.
- PL.00006 on Financial and Sustainability Information.
- PL.00012 Risks.
- Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards corporate sustainability reporting.
- European Sustainability Reporting Standards (ESRS):
- Law 11/2018, of 28 December, which amends the Commercial Code, the consolidated text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on Auditing of Accounts, with regard to non-financial information and diversity. (BOE of 29 December 2018). Recommendations of the TNFD-Taskforce on Nature-related Financial Disclosures.

Derived documents:

- NT.00385 Preparation, reporting and control of Naturgy's Sustainability Information.
- NT.00386 Functioning and Responsibilities of the Naturgy ICSR (and annexes).
- IT.10586 Risk Matrix associated with the process of preparing and issuing of Naturgy sustainability information.



- IT.10587 Matrix of Naturgy's control over sustainability reporting.
- IT. 10591 Scope Defining Matrix of Naturgy's sustainability reporting.

4. Definitions

Each defined term used in this document starts with a capital letter, in all the words that compose it if it is compound, to facilitate its identification as an established definition. Terms that require a capital letter for grammatical or stylistic reasons are also capitalised.

Value Chain: This encompasses all activities, resources, and relationships that relate to a company's business model and the external environment in which it operates. This definition is sourced from the Commission Delegated Regulation (EU) 2023/2772, which complements Directive 2013/34/EU concerning sustainability reporting standards.

Sustainability Issues: These encompass environmental, social, human rights, and governance factors, including those defined in Article 2, point 24, of Regulation (EU) 2019/2088 by the European Parliament and Council concerning sustainability-related disclosures in the financial services sector. This definition is sourced from Commission Delegated Regulation (EU) 2023/2772, dated 31 July 2023, which complements Directive 2013/34/EU regarding sustainability reporting standards.

Kunming-Montreal Global Biodiversity Framework: This international agreement was adopted at the 15th Conference of the Parties (COP 15) to the United Nations Convention on Biological Diversity in 2022. It aims to set ambitious global goals for biodiversity conservation, including halting biodiversity loss, restoring degraded ecosystems, and encouraging the sustainable use of natural resources.

European Sustainability Reporting Standards (ESRS): These standards and guidelines, developed by the European Union, aim to assist companies in sharing information about their sustainability performance. They enable companies to transparently report their sustainability impact and help stakeholders make more informed evaluations in their decision-making processes.

ICSR: Internal Control over Sustainability Reporting System

European Union Taxonomy: This classification system identifies sustainable economic activities, directing investment towards projects that facilitate the transition to a low-carbon, climate-resilient economy. It is based on Regulation (EU) 2020/852 of the European Parliament and Council.

Employees: refers to all individuals who have an employment contract with any of the Group companies or entities.

5. Responsibilities

General responsibilities are identified below and specific responsibilities are identified in the development of this document.



The **Board of Directors** approves the financial and sustainability reporting which, due to its status as a listed company, must be made public periodically by the company.

The Audit and Control Committee will oversee the company's and, where applicable, the Group's sustainability reporting process, as well as the effectiveness of its internal control systems, internal audit and financial and sustainability risk management systems.

The **Sustainability Committee**:

- Shall establish the scope and general criteria to be included in the Sustainability Report.
- Shall monitor, on an annual basis, the update of the material issues resulting from the latest materiality exercise.
- Shall propose the objectives and guidelines in the environmental and social field to ensure compliance with the objectives of the Sustainability Plan.
- Shall oversee that environmental and social practices are in line with the strategy and policy set and the evolution of the company's performance in these areas, through the monitoring of the main indicators and objectives.
- Shall be able to propose projects and actions that contribute to the fulfilment of the objectives of the Sustainability Plan.

The **Management Committee** will apply this global Sustainability policy.

The **Corporate Sustainability Function**:

- Shall develop this global policy and define strategic focuses and commitments by assessing the company's dependencies, impacts, risks, and opportunities related to significant sustainability issues for Naturgy.
- Shall conduct regular context analysis considering the regulatory framework, management-identified key issues, sustainability trends, best business practices, and stakeholder expectations.
- Shall coordinate the identification of significant sustainability issues from a dual materiality perspective, adhering to the European Sustainability Reporting Standards (ESRS) requirements and applicable regulations at all times.
- Shall participate in strategic planning by collaborating with the other Business and Corporate Units to create a Sustainability Plan aligned with overarching company strategy, including metrics and global objectives pertinent to Naturgy's sustainability matters.
- Shall define and oversee management methodologies and tools globally, working alongside business and corporate sectors to provide a streamlined and effective system for indicator reporting.
- Shall encourage the sharing of best practices and integration across business units.
- Shall prepare the Sustainability Report proposal and report the sustainability information required for sustainability indices, analysts, investors and the media, in coordination with business units and corporate areas, in accordance with the global policy **PL.00006 Financial and Sustainability Reporting**.



- Shall assess risks in coordination with the Corporate Risk Function, in accordance with the global policy **PL.00012 Risks**.
- Shall provide the Corporate Risk Function with the information, within its area of responsibility, necessary to prepare the Corporate Risk Map.
- Shall implement the ICSR and develop process controls that mitigate risks associated with achieving sustainability reporting objectives, and oversee the ICSR measurement and reporting process, as well as the design of action plans to implement recommendations and/or address weaknesses detected.
- Shall report material sustainability issues to the Sustainability Commission and Management Committee.
- Shall lead the Sustainability and Environment Committee to communicate the decisions and requests from the company's senior governance bodies concerning sustainability matters.
- Shall identify, together with the other Business and Corporate Units, essential training in environmental, human rights, and sustainability fields.

Each **Corporate or Business Unit**:

- Shall ensure the principles of this global policy are implemented by applying global environmental and social management methodologies and tools and by providing the technical, human, and financial resources necessary to achieve the Sustainability Plan's objectives.
- Shall consider impacts, risks, and opportunities affecting people and the environment in decision-making processes, with a particular focus on climate change and a just energy transition.
- Shall conduct necessary environmental and social studies, along with due diligence processes, which include respecting human rights and the environment. This is to identify, prevent, mitigate, and address any potential negative impacts throughout the facilities' lifecycle.
- Shall supply the requisite data and information for indicator reporting to the company's governing bodies, sustainability index questionnaires, analysts, and investors, ensuring quality and consistency through evaluation of the ICSR internal control model, analysing trends and implementing measures to enhance environmental and social performance.
- Shall integrate environmental and social criteria into both early and later stages of the Value Chain, assessing human rights policies and climate change practices of partners. They encourage suppliers, contractors, collaborating companies, and business partners to provide training for their employees in these areas.
- Shall actively participate on the Sustainability Committee.



6. Development

6.1. General principles

This global policy is formulated in line with the responsibilities, provisions, and implementation outlined in the **Statement of Principles and Policies**, sections 4.2 and 4.3.

In a context marked by the energy transition, Naturgy places special emphasis on continuing to be a key player in this transition, with an approach that ensures the promotion of climate action and the protection of biodiversity, while at the same time promoting a just and inclusive transition by generating and improving employment opportunities, taking into account the interests of the communities affected.

Regarding social matters, it lays out the foundational principles of action concerning social issues as per the European Sustainability Reporting Standards (ESRS). These align with the principles stated in the United Nations Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration, the principles of the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance, as well as European directives and national laws governing these principles.

In environmental matters, this policy outlines fundamental principles concerning environmental issues as set out in the European Sustainability Reporting Standards (ESRS).

Regarding the governance of Sustainability Issues, it specifies key tools for control and monitoring: the Sustainability Plan, the ICSR, the sustainability information report, and the assessment of environmental and social impacts, risks, and opportunities. Naturgy commits to tying part of variable remuneration to the achievement of sustainability objectives.

Naturgy has defined and will regularly review the principles of this global policy, considering and integrating stakeholder interests and concerns. It will establish mechanisms and channels to ensure the policy is accessible and well-publicised in accordance with the contents of the global policy **PL.00005 Society and Communication**. To achieve this, Naturgy:

- Shall make this global policy available both internally and externally.
- Shall report transparently on the actions it takes in relation to Sustainability Issues in order to comply with the established principles.
- Shall disclose risks and opportunities tied to relevant Sustainability Issues.
- Shall implement the necessary steps to ensure stakeholders involved in this global policy are informed and able to comply.
- Shall raise awareness and provide training on environmental and human rights issues to employees and other relevant stakeholders, fostering collaboration and dialogue.



6.2. Basic principles of action for respecting Human Rights

Principles in the workplace and with regard to employees:

- **Avoid discriminatory practices or those that undermine employee dignity:**
 - Naturgy employees have the right to a work environment that is decent, safe, and healthy.
 - Naturgy does not accept discriminatory practices based on sex, age, ethnic origin, race, caste, religion, disability, political or trade union affiliation, sexual orientation, nationality, marital status, socioeconomic background, or any other personal characteristic.
 - The company aims to provide a work environment free from any form of harassment, intimidation, or violence.
 - It also defends and supports its employees if they are arbitrarily detained while carrying out their professional responsibilities.
- **Reject various forms of labour exploitation:**
 - Naturgy scrupulously respects the right of individuals to be free from forced or compulsory labour.
 - Naturgy respects the rights of children and rejects child labour exploitation, forced or compulsory labour, other forms of modern slavery and, in general, any case related to human trafficking in the environment of its operations.
 - Regarding child labour exploitation, Naturgy ensures its hiring policies include measures to prevent and control, in line with ILO standards or more restrictive applicable legislation.
- **Ensure freedom of association and collective bargaining:**
 - Naturgy respects the right of all employees to join associations, unions, and engage in collective bargaining.
 - Naturgy aims to safeguard the integrity of its trade union representatives in the exercise of their functions, calling on the competent security authorities whenever necessary and cooperating with them in the necessary actions.
- **Protect employee health:**
 - Naturgy is committed to providing employees in all countries where it operates with a safe and healthy working environment by adopting occupational health and safety standards and procedures in every country in which it operates.



- **Ensure adequate employment and wages:**

- Naturgy pays decent remuneration to its employees in all the countries in which it operates.
- The company also guarantees employees' right to rest, within the existing legal framework, and strives to facilitate a balance between personal and professional life wherever possible.

Principles relating to persons employed by third parties:

- **Persons connected to suppliers, contractors, partner companies, and business associates:**

- Naturgy will encourage suppliers, contractors, business associates, and partner companies to formalise their commitment with human rights and that they specifically encourage the same principles with their employees as Naturgy does to its own staff. For those who do not have their own policy, Naturgy will facilitate adherence to its policy for those who request it.
- Naturgy will include specific clauses regarding human rights in contracts where the risk of infringement is higher. This will allow the company to terminate the contractual relationship if a breach is detected, taking into account the nature and severity of the violation.

Principles relating to people, communities, and society:

- **Respect indigenous communities and traditional ways of life:**

- Naturgy will consider the potential impact of its activities on the natural environment, as well as on traditional ways of life and work in the areas where it operates, trying to **avoid or mitigate adverse effects** and enhance positive ones.
- In line with the International Labour Organization's Convention 169 on Indigenous and Tribal Peoples (1989) and the United Nations Declaration on the Rights of Indigenous Peoples (2007), indigenous communities must be able to participate in and be consulted about activities before they commence. Naturgy will adhere to Convention 169 and follow the guidance of relevant authorities in each situation.
- The company recognises its respect to the right of indigenous communities to preserve their traditional customs and ways of life, as well as any rights they have acquired under the current legal framework or generally accepted traditions and practices. Naturgy promotes fair compensations, at least to the level legally required, if these communities suffer any loss or harm due to its activities.

- **Protecting facilities and people on the basis of respect for human rights**

- Naturgy is committed to ensuring respect for human rights in accordance with the Voluntary Principles on Security and Human Rights and the United Nations Basic Principles on the Use of Force and Firearms by Law Enforcement Officials (1990) and the Code of Conduct for Law Enforcement Officials (1979).



- The company shall encourage the security subcontractor to conduct a human rights background check on the security personnel hired, in accordance with applicable legislation, to avoid employing those who have been involved in human rights abuses. The company shall also ensure that security personnel receive suitable human rights training.
- Naturgy shall not allow company resources and assets to be used knowingly to commit human rights violations.
- **Support and promote respect for human rights in the surrounding community:**
 - Naturgy commits to actively working with other organisations to promote values consistent with the International Bill of Human Rights within its sphere of influence. In this regard, the company shall respect and promote the right to freedom of thought, conscience and religion and to freedom of opinion and expression within its sphere of action.
 - Naturgy respects the right of communities to enjoy a clean environment and will try to reduce its environmental impact. It shall also consider the degree of dependence on the natural resources of surrounding communities. Naturgy shall also establish the security measures needed to prevent its facilities from posing a risk to the physical safety of third parties.
 - If, in the course of its activities and operations, people are displaced, Naturgy will act according to the provisions of the United Nations Basic Principles and Guidelines on Development-Based Evictions and Displacement (2007).
 - Naturgy undertakes to offer a quality service to its clients and to offer truthful and complete information about them.
 - Naturgy wants to contribute to the sustainable development of the societies in which it has a presence. For this reason, the company shall take actions that contribute, to the extent of its possibilities, to building the social rights of the communities in which it operates.
- **Contributing to fighting corruption and protecting privacy:**
 - Naturgy condemns corruption in all its forms and has procedures and tools aiming to prevent its activities from inciting or encouraging corruption, directly or indirectly, in accordance with the provisions of its Code of Ethics and its Anti-Corruption Policy.
 - Naturgy shall implement measures aiming to protect the privacy rights of personal data for everyone associated with the company.

The details of the Principles established by the company in relation to Human Rights are set out in the Group's global policies, as well as in the Code of Ethics and in the specific regulations derived therefrom.

6.3. Basic principles of environmental action

Naturgy aspires to continue being a relevant player in the energy transition and to contribute to the reduction of GHG emissions, considering the progress of



technologies and the energy policies and regulation of each country where it operates. It will therefore focus on six strategic environmental areas:

- Environmental management and governance
- Climate change and energy transition
- Pollution
- Water resources
- Biodiversity and ecosystems
- Resource use and the circular economy

6.3.1. Environmental management and governance

- Comply with environmental legislation and, when possible, anticipate new regulations by adopting additional measures.
- Manage negative environmental impacts by following the mitigation hierarchy: avoid, minimise, restore, and as a last resort, compensate.
- Identify, assess, and manage risks to people and the environment from incidents and emergency situations. Design and implement action plans, where required, to limit and control negative impacts, and conduct regular drills.
- Report, monitor, and analyse environmental incidents during both normal operations and emergencies, implementing necessary preventive, corrective, and restoration measures.
- Define indicators, objectives, plans, and programmes to foster improvement in environmental performance.
- Maintain an externally audited environmental management system certified to ISO 14001 standards.
- Conduct environmental studies for new projects in line with applicable regulations, ensuring the necessary measures are taken to mitigate negative impacts and assess their alignment with European taxonomy criteria.
- Link a portion of management remuneration to targets for reducing greenhouse gas emissions, in accordance with the scheme approved by the Company's Board of Directors each year.

6.3.2. Climate change and energy transition

- Promote renewable energies, electricity and gas, and a business model that is aligned with the energy trilemma: guaranteeing security of supply, accessibility and affordability of energy, and mitigation of environmental impact.
- Develop and communicate the Climate Transition Plan detailing the greenhouse gas emissions reduction pathways and intermediate targets required under applicable regulations, which will provide an understanding of the company's mitigation efforts.
- Develop strategies and implement specific actions for climate change adaptation.



- Identify, evaluate, manage, and report the impacts and financial effects of climate risks and opportunities, both physical and transitional, in accordance with regulatory requirements of the countries in which we operate.
- Annually publish the carbon footprint across all scopes, verified by an independent third party.
- Develop products and services that reduce greenhouse gas emissions within the Value Chain.
- Promote decarbonisation targets in line with the principles of a just transition, involving affected parties and seeking their engagement.

6.3.3. Pollution

- Prevent and control pollution of air, water, and soil to reduce environmental impacts.
- Design new facilities according to the criteria of not causing significant harm, as outlined by the European taxonomy regulation.

6.3.4. Water resources

- Manage water responsibly and efficiently to preserve resources, protect aquatic ecosystems, and support social uses, especially in areas at risk of water scarcity.
- Minimise the use of fresh water in the design of new facilities located in water-risk areas, prioritising its regeneration and reuse or the use of alternative sources.
- Prevent pollution and treat waste properly before releasing it into the environment, ensuring compliance with regulatory water quality standards.
- Protect, restore, or regenerate aquatic ecosystems affected by the company's activities as required by relevant regulations or concession titles.

6.3.5. Biodiversity and ecosystems

- Integrate biodiversity into the company's strategy and decision-making processes, and design transition plans, as required, aiming to be aligned with the Kunming-Montreal Global Biodiversity Framework.
- Identify, evaluate, manage, and report on dependencies, impacts, risks (physical, transitional, and systemic), and opportunities related to nature, following the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) using the LEAP approach.
- Protect biodiversity through initiatives, particularly in sensitive areas, with action and monitoring plans that adhere to the impact mitigation hierarchy and support nature-based solutions, as required by relevant regulation.
- Carefully analyse the location of new projects in protected or high-biodiversity areas, avoiding them if required by law.
- Reduce tree removal associated with the operation of energy networks to the least necessary to ensure the safety of people, facilities and the environment.



- Respect the natural and cultural heritage near operational sites by monitoring impacts on relevant ecosystems and species and implementing protective measures.

6.3.6. Use of resources and circular economy

- Use resources efficiently and reduce waste generation, promoting its recovery in line with the waste hierarchy, and support new circular economy models.
- Implement circular practices, especially in new projects and during the decommissioning of facilities.

6.4. Consultation and Notification Procedure

Naturgy employees are obliged to report breaches of the Principles established in this global policy to the company. They may do so anonymously if they wish, through the channels established for this purpose in the Internal Reporting System.

6.5. Implementation and monitoring

Naturgy shall periodically analyse the effective implementation of this global policy by analysing its impact, also taking into account the risk present in the countries in which it operates.

The company will integrate respect for human rights and the identification, evaluation, and management of social and environmental impacts, risks, and opportunities into its strategic and operational decision-making processes. This includes all phases of investment projects, from initial study to ongoing management.

Furthermore, during due diligence before formalising collaboration agreements and conducting mergers and acquisitions, it shall assess the social and environmental policies, practices, impacts, risks, and opportunities of its counterparties.

If Naturgy becomes aware of violations that contravene the principles set out in this global policy, it will, whenever possible, take the necessary measures to restore compliance.

6.6. Sustainability Plan

To support the strategy's development, Naturgy will craft a Sustainability Plan will be crafted based on the company's business plans. This plan will feature indicators and objectives linked to Sustainability Issues relevant to Naturgy.

The **Business Units and Corporate Units** will draw up the Sustainability Plan:

- Taking into account the trends, regulatory requirements and recommendations, best practices, and stakeholder expectations in this field.
- Defining a scorecard of indicators and objectives in line with the company's Strategic Plan.
- Updating it as the business evolves.



The **Sustainability Committee and the Business and Corporate Units**, will periodically review the achievement of the Sustainability Plan through specific action plans.

6.7. Sustainability Information

Naturgy will regularly update its stakeholders on how it implements and integrates the principles outlined in the Statement of Principles and this global policy into its management, as well as on its performance levels.

The sustainability information will adhere to applicable regulatory provisions and voluntary standards that Naturgy deems appropriate at the time to provide a true and fair representation of its compliance with commitments and the implementation of the Sustainability Plan.

Through context analysis, which considers trends, regulatory requirements, best practices, and stakeholder expectations, Naturgy will identify the real and potential impacts of its activities on people and the environment, as well as the risks and opportunities that Sustainability Issues present to the company's operations, business model, and value creation capacity.

Impacts, risks, and opportunities will be assessed with stakeholder perspectives in mind, helping Naturgy determine the most pertinent Sustainability Issues from a double materiality perspective. This analysis will serve as the foundation for the annual Sustainability Report.

An independent auditor will verify the sustainability information according to the applicable regulations at the time.

The processes for the preparation, consolidation, approval and disclosure of sustainability information are subject to the ICSR, as defined in the global policy **PL.00006 Financial and Sustainability Reporting**.